

CA1
XC2
-1959
BGS

Government
Publications

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

SPECIAL COMMITTEE ON

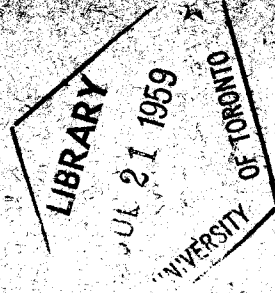
BROADCASTING

Chairman: G. E. HALPENNY Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

THURSDAY, JULY 9, 1959



CANADIAN BROADCASTING CORPORATION

WITNESSES

Messrs. R. P. Landry, Assistant to the President, Canadian Broadcasting Corporation; Charles Jennings, Controller of Broadcasting; M. Henderson, Comptroller; J. P. Gilmore, Controller of Operations; W. R. Johnston, Assistant Controller of Broadcasting (Commercial); M. Carter, Controller of Management Planning and Personnel; and C. B. McKee, Manager of Industrial Relations.

21603-6-1

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

CA1
XC2
-1959
B65

Government
Publications

HOUSE OF COMMONS
Second Session—Twenty-fourth Parliament
1959

SPECIAL COMMITTEE ON
BROADCASTING

Chairman: G. E. HALPENNY Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

THURSDAY, JULY 9, 1959



CANADIAN BROADCASTING CORPORATION

WITNESSES

Messrs. R. P. Landry, Assistant to the President, Canadian Broadcasting Corporation; Charles Jennings, Controller of Broadcasting; M. Henderson, Comptroller; J. P. Gilmore, Controller of Operations; W. R. Johnston, Assistant Controller of Broadcasting (Commercial); M. Carter, Controller of Management Planning and Personnel; and C. B. McKee, Manager of Industrial Relations.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

Chairman: G. E. Halpenny, Esq.,

Vice-Chairman: J. Flynn, Esq.,

and Messrs.

Miss Aitken,
R. A. Bell (*Carleton*),
Tom Bell (*Saint John-
Albert*),
Brassard (*Lapointe*),
Mrs. Casselman,
Chambers,
Dorion,
Eudes,
Fairfield,
Fisher,
Forgie,

Fortin,
Johnson,
Kucherepa,
Lambert,
Macquarrie,
Mitchell,
Muir (*Lisgar*),
McCleave,
McGrath,
McIntosh,
McQuillan,

Nowlan,
Paul,
Pickersgill,
Pratt,
Richard (*Ottawa East*),
Robichaud,
Simpson,
Smith (*Calgary South*),
Smith (*Simcoe North*),
Taylor,
Tremblay.

J. E. O'Connor,
Clerk of the Committee.

CAI
XC 2
-1959
B65

MINUTES OF PROCEEDINGS

THURSDAY, July 9, 1959.

The Special Committee on Broadcasting met at 9.30 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Messrs. Bell (*Carleton*), Dorion, Fisher, Flynn, Halpenny, Kucherepa, Lambert, Muir (*Lisgar*), McGrath, McQuillan, Pickersgill, Paul, Pratt, Smith (*Simcoe North*), Taylor and Tremblay. (16)

In attendance: Messrs. R. P. Landry, Assistant to the President, Canadian Broadcasting Corporation; M. Henderson, Comptroller; J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management Planning and Personnel; Charles Jennings, Controller of Broadcasting; W. R. Johnston, Assistant Controller of Broadcasting, (Commercial); Marcel Ouimet, Deputy Controller of Broadcasting; W. C. Richardson, Director of Engineering; R. C. Fraser, Director of Public Relations; Barry MacDonald, Secretary, Board of Directors; and J. A. Halbert, Assistant Secretary, Board of Directors.

The Chairman observed the presence of quorum and called for consideration Item 4 of Part C of the Agenda—Political Broadcasting. Mr. Jennings was questioned.

Items 1, 2, 3 and 4 of Part D of the Agenda relating to financing were discussed and questions answered by Messrs. Henderson and Gilmore.

Item 5 of Part D of the Agenda was called and Mr. Henderson made a brief statement, and together with Messrs. Jennings and Gilmore answered questions.

The following documents were distributed to Members of the Committee and ordered printed as appendices to the record of this day's proceedings:

1. Architectural Staff. (*See Appendix "A"*)
2. Policy re calling public tenders. (*See Appendix "B"*)
3. New Construction. (*See Appendix "C"*)
4. Number of staff and annual costs for three years. (*See Appendix "D"*)
5. Functions of Engineering Division. (*See Appendix "E"*)
6. Record of Commercial Performance—Gross Billing—Television. (*See Appendix "F"*)
7. Record of Commercial Performance—Gross Billing—Radio. (*See Appendix "G"*)
8. Summary of Construction 1953 to 1958. (*See Appendix "H"*)
9. Costs of Microwave and Conditions of rental contracts. (*See Appendix "I"*)
10. Costs of rental of studios and Rehearsal halls. (*See Appendix "J"*)

Item 6 was adopted without discussion.

On Item 7—C.B.C. Rate Structure—Mr. Johnston outlined the methods of determining Commercial Television and Radio rates.

At 10.55 a.m. the Committee adjourned to meet again at 3.00 p.m. this day.

AFTERNOON SITTING

The Special Committee on Broadcasting reconvened at 3.05 p.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken, Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*), Brassard (*Lapointe*), Mrs. Casselman, Messrs. Chambers, Fisher, Flynn, Forgie, Halpenny, Johnson, Kucherepa, Lambert, Mitchell, Muir (*Lisgar*), McGrath, McIntosh, Pickersgill, Paul, Pratt, Richard (*Ottawa East*), Simpson, Smith (*Simcoe North*), Taylor and Tremblay. (25)

In attendance: The same witnesses as at the morning sitting with the addition of Mr. R. E. Keddy, Director of Organization, and Mr. C. B. McKee, Manager, Industrial Relations; and the absence of Mr. Barry MacDonald, Secretary, Board of Directors.

The Chairman observed the presence of quorum and tabled two documents prepared by the International Service of the Canadian Broadcasting Corporation, copies of which were distributed to Members, and ordered printed as appendices to the record of this day's proceedings. (*See Appendices "K" and "L"*)

Mr. Johnston, assisted by Mr. Henderson, was questioned on the statement he presented at this morning's sitting and notices of questions arising out of the tabled International Service material were given to Mr. Landry.

On Part E of the Agenda Messrs. Carter, Landry, Gilmore, Jennings, McKee and Johnston were questioned concerning the organization of the Corporation generally; its recruiting and promotional policies; personnel growth; nepotism; trade union contracts and the experience and qualifications of sales personnel.

At 5.05 p.m. the Committee adjourned to meet again at 9.30 a.m., Friday, July 10, 1959.

J. E. O'Connor,
Clerk of the Committee.

NOTE: *Text of the Proceedings recorded in the French language appears immediately following this day's Evidence.*

REMARQUE: *Le texte des témoignages recueillis en français figure immédiatement à la suite du compte rendu des délibérations de la séance d'aujourd'hui.*

EVIDENCE

THURSDAY, July 9, 1959
9.30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. You will recall that we finished off with Part "H" of the agenda yesterday afternoon—and today we are back on Part "C". We cleaned up items "1", "2" and "3". We are now on item "4", Political Broadcasting.

Mr. PICKERSGILL: On "4", Mr. Chairman, Mr. Bell will corroborate it, I think when I say that at the last meeting—the final meeting—of the Privileges and Elections committee it was decided, either formally or informally, to approach the house with a view to having this subject considered by that committee—as Mr. Nowlan suggested it should be—at the next session of parliament.

In view of that, and the difficulty of getting through our whole agenda, I wonder if we could not just postpone this and go on to the next item, and perhaps come back to it later, if we have time.

The CHAIRMAN: Is that agreeable?

Mr. FISHER: No, it does not help at all in so far as expressing our opinions or making any suggestions in so far as these broadcasts are concerned for this next session. For instance, The Nation's Business stopped several months ago, and the session has gone on. There is an inconsistency there that I certainly cannot appreciate. Surely when parliament is in session is the time to have that particular program going, and just to let it lapse until next year—as Mr. Pickersgill suggests—indicates that we have not got much interest or respect for the program. That may be understandable—but I do not think we should let that go.

The CHAIRMAN: Are there any further comments?

Mr. CHARLES JENNINGS (*Controller of Broadcasting, Canadian Broadcasting Corporation*): Mr. Chairman, may I speak to that?

The CHAIRMAN: Yes.

Mr. JENNINGS: You will notice under section B of this white paper:

In the periods between general election campaigns (federal or provincial)

(a) During periods between election campaigns free time will, on application in writing, be made available to national party leaders for political broadcasts on a national C.B.C. network and to provincial party leaders on a regional C.B.C. network as follows:

And there are set out the qualifications. We have always—to my recollection—met with all parties when application has been made for this.

Mr. FISHER: Why did The Nation's Business lapse in the middle of this session?

Mr. JENNINGS: Because the cycles that had been arranged with the parties came to a close.

Mr. FISHER: Do you mean an arrangement initiated with all the parties?

Mr. JENNINGS: It always has been.

Mr. FISHER: Is that not a rather unfortunate arrangement, since you have three, or perhaps four, very separate parties? What brings them into—I will not say "into collusion"; but together to initiate—

Mr. JENNINGS: What has happened in the past—I do not know whether there has been any collusion or not—is that usually one or more of the parties has written to the C.B.C.; we have told the other parties a request has been made, and usually out of that some members of this committee, I think, perhaps have taken part and then we have had a meeting with the parties. Indeed, this is going on actively at the moment in the provincial free-time broadcasts in Quebec. Consideration is being given at the moment to an extension of it.

Mr. PICKERSGILL: I confess I, too, wondered why these programs had come to an end, or apparently had come to an end. But, as Mr. Jennings has said—I have had some experience as a negotiator at one time or another in this matter, and I know the initiative has always been taken by one party or another and the other party has been got in touch with. That has been the traditional method.

It would appear to me that somebody in the party organizations may not have been very active—in all the parties—from the look of things. I believe that there is a feeling that after about the first of June there is very little audience for these programs, and that may be the reason why the party organizations have not been very vigorous.

Mr. FISHER: We know there is not a very big audience for this particular program. It must be a dreadful, disgusting thing to politicians that they can attract so very few, according to the viewers' figures I have seen. This is the question I wish to ask: would it not be possible to put that program on later, and closer to the news?

Mr. JENNINGS: It is a very difficult type of scheduling. Also—if you will forgive my saying so—it is a pretty difficult piece of programming. There is also—I think I may say—the fact that, especially in television, it seems at times to be a chore to those participating to spend the time that is necessary for the production, and so on.

Mr. FISHER: Obviously, it is not the C.B.C.'s fault, it is the politicians'. But have you ever considered approaching the program from the point of view that the B.B.C. has at times? I know you had a producer over in England—Hind-Smith—looking at this, and I understood he had some ideas of using this kind of time just to throw politicians on their own on a catch-as-catch-can basis.

Mr. JENNINGS: After the last general election, I think we had a long meeting in which we told the parties we would hold seminars—if you can dignify them by that name—with the broadcasters from the parties to discuss with them the most effective ways of putting on political broadcasts, to give them coaching, training, and so on.

Some of them went on, I think. Also, since people like Mr. Hind-Smith had probably had most experience of that, we also tried to develop some of Hind-Smith's facilities in this field in other producers. The corporation is quite ready—indeed, is quite anxious to do all it can to improve the free time political broadcasts and the campaign broadcasts so that they will be better programming.

Mr. BELL (*Carleton*): In other years I have sat through more of these conferences with the C.B.C. than any other person, and I can certainly say that the

C.B.C. has tried at all times to be most helpful to the political parties. I think the basic problem that Mr. Fisher raises is one that rests with the political parties themselves.

Mr. PICKERSGILL: I agree.

Mr. BELL (*Carleton*): And not with the C.B.C. I think if one of the political parties—any one—took the initiative in relation to this, they would find the C.B.C. would convene an annual meeting, and it would then be a question of trying to get agreement between the parties.

Mr. FISHER: Mr. Chairman, may I ask Mr. Bell a question?

The CHAIRMAN: If he wishes to answer, yes.

Mr. FISHER: Do you mean in so far as the B.B.C. and I.T.V. run these panel shows? They give free time and they bring in politicians from different parties and let sink or swim around a topic. Do you mean we should have a meeting on that kind of topic?

Mr. BELL (*Carleton*): That is a thing for the parties to decide, so long as it comes within the definition of non-dramatization.

Mr. FISHER: With your influence and background in the Conservative party, Mr. Bell, would it be ready for that kind of show?

Mr. BELL (*Carleton*): I am afraid I am not spokesman for the Progressive Conservative party.

The CHAIRMAN: May we leave item "14" and go on to part "D", finance? I believe Mr. Henderson will answer questions on this. Mr. Bell, I think you have some questions on this; that is, the further study of reports of P. S. Ross and Sons to the C.B.C. and to the Fowler Commission. Did you have any questions on that, Mr. Bell?

Mr. BELL (*Carleton*): No.

The CHAIRMAN: Are there any further questions on the report of P. S. Ross and Sons to the C.B.C. and the Fowler Commission? Can we pass on to item "2", Analysis of Financial Statements of the Corporation?

Mr. BELL (*Carleton*): Mr. Chairman, these are the statements we have just been given, are they?

The CHAIRMAN: No; that is the annual report which was distributed earlier.

Mr. A. M. HENDERSON (*Comptroller, Canadian Broadcasting Corporation*): Reference is made here to the last published annual report of the corporation for the year ended March 31, 1958. The report for March 31, 1959, is not yet printed; but we understand it will be shortly.

The CHAIRMAN: All questioning will have to be done on the last published annual statement. We pretty well covered finance, I think, at the beginning of the hearings. We had Mr. Henderson as a witness for the greater part of two meetings. I doubt very much if there will be very many questions on the financial statements of the corporation.

May I have your permission, gentlemen then, to move to Item "3", comparison with U.S. and Canadian stations and U.S. Networks? Are there any questions on "3"?

Mr. McGRATH: Mr. Chairman, may we later on, perhaps—under this item—revert to "2"?

The CHAIRMAN: Do you have any questions on "2"?

Mr. McGRATH: I feel I may. I have a question on "3" now.

The CHAIRMAN: Let us have Item "3". If we do have time, we can come back to "2". But as far as the Chair is concerned, we have cleaned it up. Let us have your questions on "3".

Mr. McGRATH: Item "2" is a very important item.

The CHAIRMAN: If we have time, we will come back to "2".

Mr. McGRATH: The question I have on "3" is, that probably the only comparable analysis that can be made, in terms of similarity of operation and in terms of finance, would be the Australian Broadcasting System; is that correct?

Mr. HENDERSON: I would like to point out, Mr. Chairman and Mr. McGrath, that much as we would like to have access to the individual station figures of the United States and the British stations—also to their network figures—they are simply not available. You take a case like the United States: you have C.B.S., which is a public corporation, and its operations include not only radio and television station and networks, but the manufacture of tubes, sets and everything else.

These annual accounts are published in accordance with the requirements of the Securities and Exchange Commission in the United States. There is nothing available beyond that; it would be confidential to them but not available to us. The same is true in the case of the B.B.C., which publishes an annual report, but does not disclose individual stations or network figures. It publishes a report not dissimilar to ours.

To come to individual comparisons, the way we are set up today, we would welcome it, but these individual figures are not available to us.

Mr. McGRATH: My question is this: has there ever been an attempt recently to have an interchange of ideas or perhaps study the Australian system?

Mr. HENDERSON: Not the Australian system, so far as I am concerned. Our president and several of our associates have visited Australia, and we have a very happy relationship with the people in the United Kingdom and in the United States and I have had some most helpful and interesting discussions with the accounting officers of the two big American corporations; but beyond discussing things along general lines, procedures and methods of handling, it has not led to the disclosure of any of their figures.

Mr. McGRATH: The point of my question was to illustrate the fact that I do not feel there is much to be gained from an analysis or comparison with the United States and the United Kingdom systems, but that perhaps the closest one in comparison would be the Australian system.

Mr. HENDERSON: I cannot speak on that, but perhaps Mr. Gilmore can.

The CHAIRMAN: Mr. Gilmore?

Mr. J. P. GILMORE (*Controller of Operations*): Yes Mr. Chairman and Mr. McGrath, while your statement that Australia is possibly the closest comparison is quite true, still there is a vast difference between the Australian and Canadian systems, fundamentally in that the state operating body, the A.B.C., does not indulge in any commercial operations whatsoever. The privately-owned networks and individual stations have the commercial field completely to themselves. Also, we are talking of a country with a population of approximately 9 million people, which is again comparable to ours in terms of connecting up micro-wave or direct line connection, but not in comparison to the broad distances we must span in our 4,000 miles of network.

The CHAIRMAN: Mr. Pickersgill, have you a supplementary question?

Mr. PICKERSGILL: Yes, Mr. Chairman; I would like to ask Mr. Gilmore a supplementary question in connection with the Australian situation.

The CHAIRMAN: Proceed.

Mr. PICKERSGILL: Mr. Gilmore, would you not consider the fact that as there is no United States adjacent to Australia, it would make the comparison wholly unrealistic?

Mr. GILMORE: I would have to agree with you. There is no influence brought to bear on Australian broadcasting except what they bring into the country themselves.

The CHAIRMAN: Gentlemen, may we proceed to Item 4, or are there any further questions in connection with 3?

Mr. PICKERSGILL: Mr. Chairman, at an earlier stage I asked whether there was any station in the United States which was reasonably comparable to the C.B.C. operation in Vancouver, and I suggested there might be something in Seattle. I think the answer was that there was not anything there but that there was a station in one of the American networks, that is in San Francisco, that did some origination. Although I have no personal knowledge of this, it has been represented to me that the operations at Vancouver are considered by many people there to be rather ostentatious and extravagant. I wondered if the C.B.C. had made any comparison with any comparable place in the United States, and San Francisco was suggested. Could you tell us whether or not any such comparisons have been made?

Mr. HENDERSON: So far as my operation is concerned on the accounting side, no comparison has been made because it has been rather obvious to me, for the reasons given before, that is that the details which we would require to make the comparison are confidential to the owners and would not be made available. We are further developing our own individual station and network costs. We have been doing this for the past year and, perhaps, the problem should be started at home before it is taken up elsewhere.

Mr. PICKERSGILL: Well, if I can mention this in this context, it specifically has been represented to me that there is a rather expensive property in the 600 block on Howe street, Vancouver, which is rented by the C.B.C. at quite a considerable rent and practically never used. Does the accounting side of the C.B.C. ever look into the question of whether premises that are rented are really used?

Mr. HENDERSON: Yes, that is one of the responsibilities of the chief financial officer.

The CHAIRMAN: Mr. McGrath, have you a question along the same lines?

Mr. MCGRATH: Yes, Mr. Chairman. I think that is very aptly illustrated. There is no code number on this sheet but I think there is an answer to my question with regard to properties in Vancouver, Winnipeg and Halifax, and the list of properties owned and leased in the city of Vancouver is very extensive. It takes a whole section. Has the corporation ever given consideration to erecting a building to house its operations under one roof, or has there been anything planned in this direction?

Mr. HENDERSON: That is one of the continuing problems of the corporation, to wit, the necessity for consolidation, where we are spread over so many different areas. It also exists in Toronto and Montreal, and it is a continuing problem with which we are dealing.

The CHAIRMAN: Gentlemen, are there any further questions on Item 3? May we leave 3 now and go to "Capital Program" which is 4?

Mr. TAYLOR: Dealing with the comparison of the Vancouver station with American stations—

The CHAIRMAN: Is this supplementary to Mr. Pickersgill's question?

Mr. TAYLOR: Yes. There is a statement that has been going around that there are more live shows coming out of the three major Seattle stations and yet the Vancouver C.B.C. station has more employees in that one station than all three American stations in Seattle. Have you ever looked into that, and would you care to make any comment on it?

The CHAIRMAN: Mr. Gilmore, would you care to make a statement on this?

Mr. GILMORE: Firstly, I would like to refer to the picture of origination production in Canada. In volume, the No. 1 production centres are Montreal on the French network and Toronto on the English network, and No. 2 is Vancouver. It has been traditional that the talent pool that has built up over the years—and I am not deprecating any other city,—has been mainly at Vancouver. Now, in order to develop this, and to bring it along properly, we have provided in Vancouver in both radio and television the best facilities that we can to do this work. To compare local originations of the type which I have mentioned in Seattle and in Bellingham with a network production out of Vancouver is simply not to compare the facts of life. There is an entirely different scope of production. There are more rehearsals and time spent in our productions, and they have a much higher artistic quality.

In terms of the number of staff and scope of facilities in Vancouver, while at Winnipeg and Halifax, which are comparable, you have around 10 per cent of their production going to the network, in Vancouver it is 25 per cent.

The CHAIRMAN: Mr. Taylor, have you a question?

Mr. TAYLOR: It would appear then that you have looked into this problem and have compared Seattle with Vancouver.

Mr. GILMORE: Yes, but not in a detailed way.

Mr. McGRATH: I notice from this sheet, Mr. Chairman, that there is on the national television network, originating from Vancouver, 120 hours of programming; is that a correct understanding of it?

Mr. GILMORE: Which sheet is that?

The CHAIRMAN: It was distributed yesterday.

Mr. GILMORE: That would be approximately right for that particular period.

Mr. TAYLOR: How would this compare with Montreal and Toronto? Can you tell me, offhand, how it compares?

Mr. GILMORE: Could I come back during this meeting and give you those figures? It is in here somewhere and I will have to look it up.

Mr. PRATT: Mr. Chairman, I have a supplementary question. Is it not a fact that the city of Vancouver is a very prolific source of talent, and that a great many of the performers in Toronto are originally from Vancouver? That is true, is it not?

Mr. GILMORE: Yes.

Mr. FISHER: Also, some of the most prolific performers in the House of Commons.

The CHAIRMAN: Gentlemen, may we go to Item 4, Capital Program. Are there any further questions on that, Mr. McGrath? You were speaking about a possible consolidation and the construction of a new building to house all the facilities.

Mr. McGRATH: Are we going to have a statement on this?

Mr. HENDERSON: There is a detailed statement being filed in respect of engineering and property in which the construction costs for five years, and the detailed construction projects, are listed.

The CHAIRMAN: Then I would imagine we could leave Item 4 until we have the engineering statement which will be under Part F. That is being distributed along with several other things at the present time which I would like to table. These are as follows: Item F-5, new construction planned; item F-2, salaries and wages; item F-1, engineering; the statement on gross billings

on radio; statement on gross billings on television; item F-6 which has to do with tenders and advertising; and item F-7, architectural staff. May we have your permission to table these, please?

Mr. BELL (*Carleton*): Is it your intention they be printed as appendices?

The CHAIRMAN: If it is your wish. On item 4, Mr. Paul.

Mr. PAUL (*Interpretation*): On item F.6.

The CHAIRMAN: We will get to that later.

Mr. KUCHEREPA: We will also go back to 4 later?

The CHAIRMAN: We will not go back to item 4 here, but will get all the information on the five-year plan of engineering.

Mr. PICKERSGILL: I presume it will meet Mr. Kucherepa's wish and my own if at that time we could speak about any aspect of capital.

The CHAIRMAN: By all means.

Then may we proceed to Part D. item 5. That is forecasts of deficits in future.

Mr. HENDERSON: Mr. Chairman, in my earlier remarks on May 14 I mentioned that it is too early to say what our net requirements are likely to be over the next several years. We are in the process of estimating these over the next five years in order to present it to the Minister of National Revenue and the Minister of Finance. The date for that is November 10, 1959. At the moment, we are in the midst of that. I suggest it would be inappropriate at the present time to say what they are likely to be.

Mr. MUIR (*Lisgar*): I do not know whether or not this is the item on which to ask this question. However, in respect of a deficit, is it contemplated to put on any more shows comparable in price to Peter Grimes?

Mr. HENDERSON: That is a question which I think should be addressed to Mr. Jennings as he schedules these.

Mr. JENNINGS: This is a very difficult question to answer. I imagine in the future there may well be programs which will cost that much. At the same time, however, I would say in respect of all these programs when we select a time for presentation every effort is made to keep the cost down as much as possible.

The CHAIRMAN: Every effort has been or will be made.

Mr. JENNINGS: Has been and always will be.

Mr. MUIR (*Lisgar*): Is there any justification for spending that much money on one show when actually your figures which have been presented show that shows which have a very much smaller cost actually reach the larger audience.

The CHAIRMAN: We are getting back on to programming.

Mr. JENNINGS: Inside the corporation itself, among the program people, there is a good deal of hot argument as to whether or not this kind of operatic presentation should be done on television.

Mr. MUIR (*Lisgar*): I would think in producing shows that there must be some—the gentleman here gave me the word yardstick—but there must be some responsibility to the people for the amount of money that is spent. I mean the money is not unlimited which you expect to spend. There must be some tie-in to the value you are going to receive, shall we say, with the money we spend.

Mr. McGRATH: I think Mr. Muir's question was referring to something which came up during the discussion on this very subject. It is regarding who, in the final analysis, sets the budget for extravaganzas.

The CHAIRMAN: If we go over our former evidence we will find, I think, all these questions have been answered pretty well.

Mr. PICKERSGILL: Does Mr. Jennings think, in the words of "Oklahoma", you have gone about as "fur" as you can go.

Mr. JENNINGS: I would hate to predict; I believe so, to a certain extent.

Mr. FISHER: In respect of Mr. Muir's question, you do not consider the number of viewers as your yardstick as to whether or not you put on a program?

Mr. JENNINGS: No. I come back again to the wide range of program fare we have put out and in so far as Peter Grimes is concerned, that has been one of the most successful of modern operas which we have done at least twice on radio in past years. It has had many performances around the world. In our assessment of what we should do, Peter Grimes was one of the works we selected.

Mr. FISHER: If you did use that yardstick we would have wrestling seven days a week.

Mr. JENNINGS: I would say we would have films seven days a week.

Mr. BELL (*Carleton*): In dealing with the forecast of deficits, I think Mr. Henderson will appreciate the dilemma the committee is in. This is the crux of the problem we were set up to examine. The graph of deficits has risen very steeply. I think all the members of the committee are very deeply concerned as to whether we may find ourselves, in two years hence, with a deficit of \$100 million and in three years hence a deficit of \$125 million. I would like to put this directly to Mr. Henderson. Is there any type of guidance you can give us as to what we should report to the house? Is there a ceiling which this committee ought to suggest in respect of the deficit or any sort of formula as to the ceiling to be placed on the amount drawn by the C.B.C.

Mr. HENDERSON: I think that is a very reasonable approach. I think we will want to do our very best to answer it. In the first place, I would like to suggest the word, "deficit" is not applicable to this operation. It may be splitting a hair.

The CHAIRMAN: That is hair-splitting.

Mr. HENDERSON: The corporation is required to present national broadcasting. I would like to sketch out the considerations and *modus operandi* that we feel must be followed. Just like any other corporation, we have to approach the business of estimating and forecasting along orthodox lines. In an effort to reduce this to some simple headings I made some jottings.

First, we have to determine what our operating plan is going to be and what it will require. Mr. Gilmore and most of my associates spend considerable time in developing that. We have to know what it is we plan to do within the framework of the policy of the corporation. Having done that, it falls to me to cast up that and evaluate it in terms of its final cost.

We then take a look at our previous year's records which show what we have spent and done. For my part, I consider it my responsibility to look it over and see what savings, if any, we can achieve in terms of what we have spent in the past and in the light of what we might spend in the future.

Then I think the next step would probably be to assess the probable effect of inflationary conditions on the expenditure, in forecasting. It is obviously a very difficult task when it comes to making a five-year forecast. Mr. Fowler compiled his figures in terms of 1956 dollars, and we are doing it in terms of 1959 dollars, and what it is going to be, or we think it is going to be, when we get to 1964 dollars. We have to bring as intelligent and informed an approach to that as we can.

We then estimate our likely forward revenues over this period. Conceivably, we can be reasonably specific as far as the first of the five years in the

five-year plan is concerned; and the remaining four years are under the heading of forecasting. We are faced there with the identical problem a manufacturer has, in terms of what the demand is likely to be for the product, the price at which the manufacturer is going to be able to sell for, and how much it is going to cost him to make the product. Finally, when we have our demand down, there is an obligation on our part, we feel, to relate the final result to the country's economy. What is a country like Canada, in terms of government spending, going to be able to afford for the development and maintenance of a national broadcasting service? We may have our opinions on that: and our board, our management, will make their representations on that to the appropriate ministers, as is provided for under the act.

It is along lines like these, it seems to me, you will approach your position, and only then do you have a picture as to what your future position is likely to be. I do not know whether this is helpful to you.

The CHAIRMAN: Mr. Gilmore, would you like to add to Mr. Henderson's statement on Mr. Bell's original question?

Mr. GILMORE: I would like to back up everything Mr. Henderson said in detail, but I would to paint a little broader canvas as to the ultimate cost of television in Canada.

Our board, some years ago, and our president, Mr. Ouimet, made representations to the government on what basis the corporation could supply television on a network service basis to the Canadian people over the years. The figure given at that time was \$15 per television home, net, to the corporation, plus what commercial revenue we could get.

Mr. BELL (*Carleton*): "Plus"?

Mr. GILMORE: Yes, we were talking of the net requirement for operating requirements—the net amount. The figure in 1957-58—which is the report before you—is approximately \$11.66, taken at the mid point of the year for that service.

We maintain that, developing television over the years—and not including colour, I must underline that—we can do the job for an average of \$15 per television home; and that would be the objective of our planning, within the terms Mr. Henderson outlined.

The CHAIRMAN: How did you arrive at that \$15 figure again?

Mr. GILMORE: We looked at the cost of licence fees in the United Kingdom—and it was pretty embryonic at that time, 1945-46. We looked at the cost of licence fees in other countries, and the scope of television in the Columbia Broadcasting System and the National Broadcasting Corporation. We looked at our radio costs, with no knowledge of the differential in cost between radio and television; and we said \$15 should do the job for us on a first costing basis; and that figure has stood for us pretty well through the years.

The CHAIRMAN: I will get back to you, Mr. Bell, in a second.

Now that you have more experience than when you originally arrived at that \$15 figure, can you not anticipate certain savings your experience will automatically give you—that, possibly, you would be able to reduce that \$15 to \$11 or \$12?

Mr. GILMORE: Not until we have arrived at the development of a full day's television service.

Mr. BELL (*Carleton*): May I be clear on this? This \$15 is a net figure?

Mr. GILMORE: A net operating requirement.

Mr. BELL (*Carleton*): Could you tell us what the gross figure would be, of what you calculate the amount of recovery from commercial revenues would be?

Mr. GILMORE: We would hope to get another third from commercial revenues,—which we are doing just about now.

Mr. BELL (*Carleton*): Your gross cost would be \$45 a television home?

Mr. GILMORE: No, another third.

Mr. PRATT: No, \$20.

Mr. BELL (*Carleton*): Twenty dollars?

Mr. GILMORE: That would be a net estimate at this stage, and I think it stands up pretty well.

Mr. BELL (*Carleton*): Do you still feel, on the basis of your experience, that the remaining third is the maximum commercial recovery you could have, still being consistent with the policies of the C.B.C.?

Mr. GILMORE: I would find that terribly difficult to answer in those terms. We will put the maximum effort into our commercial operations. We will try to fill all our spot availabilities, and try to sell to our maximum, consistent with the current policy you mention, of not selling controversial broadcasting or religious broadcasting or news. I think it is a good estimate; but here I would not pretend to forecast the effect of competition in our major markets. That is under circumstances as they exist today.

Mr. PRATT: Is it not a fact most of the American networks were in the red for the first five years of their operation after the war?

Mr. GILMORE: I think two of them, five years; and one, seven years—if I remember correctly.

The CHAIRMAN: Yes, Mr. Pickersgill?

Mr. PICKERSGILL: My question was supplementary to this main question and was—as a matter of fact, the first question I had intended to ask has already been answered by Mr. Henderson, and that was: Is the word “deficit” not entirely irrelevant to this matter; because you cannot have a deficit, can you, until you determine what your guide-line is—that is to say, what your criterion is on which you base it?

I come, therefore, to my second question—

Mr. BELL (*Carleton*): It is splitting hairs.

Mr. PICKERSGILL: It is not splitting hairs. This is a question I asked and I never got a very satisfactory answer to it from the very beginning—and that is to say, on what basis is the annual requirement determined? What is the criterion on which you determine what you are going to ask the Minister of Finance for?

Mr. GILMORE: It is along the steps I endeavoured to outline.

It is the development of your plan within the framework of your policy, the costing up of that plan. By “plan” I mean, not only an estimate of your expenditures but also your revenue, to see what your net operating requirement—or, if you prefer to call it, your “deficit”—is going to be.

Mr. PICKERSGILL: I do not prefer to call it “deficit”, because it does not seem to make any sense.

Mr. GILMORE: You relate that to what is reasonable under the circumstances in terms of the country's ability to pay and within the framework of what Mr. Henderson has given.

That seems to me to be a practical approach.

Mr. PICKERSGILL: Perhaps I could phrase the question another way, to get at what I am really trying to find out.

In other words, having listened to what Mr. Gilmore has said, you start with what you think is necessary to carry out—as far as your capital facilities will permit it—a national coverage. Then you discount that by what you think the traffic will bear.

Mr. GILMORE: Our best estimate of it.

Mr. PICKERSGILL: Your best estimate?

Mr. GILMORE: Yes.

The CHAIRMAN: I realize all these are supplementary questions. Mr. McGrath, Mr. Lambert, Mr. McQuillan, Mr. Fisher and Mr. Muir—that is the order I have noted.

Mr. McGRATH: Mr. Chairman, has there been an attempt to change the financial structure—I do not know what phrase I am looking for here—but what I have in mind, sir, is, on the network has the corporation ever thought in terms of making each unit semi-autonomous in respect to bookkeeping?

For example, on the Halifax television station your overhead is "X" number of dollars. Then we will set a quota of how much you must retrieve from the local market to offset that overhead.

Mr. HENDERSON: On that, you might recall that on May 14, in my remarks, I outlined all we had set up—and this is under the heading of implementing one of the Fowler commission recommendations, which was to segregate the operations of the stations from the networks in both services, in order to determine the profitability of the individual stations in each of the services, and to determine the actual net operating costs of the television networks.

That procedure started last year. It has been greatly improved as of April 1 this year. We have only had a year at it.

Mr. McGRATH: You have improved your revenue or revised your commercial structure, including your commercial spots in these stations across Canada?

Mr. HENDERSON: Yes, we have. The statement shows our income and the cost of getting that income, and the expenses and the profit and loss.

Mr. McGRATH: It was established during earlier questioning that there was no incentive, commission, or bonus to your commercial men or salesmen, call them whatever you like, to sell time on the C.B.C. Is this in your plan?

Mr. HENDERSON: It is a matter of opinion.

Mr. McGRATH: No, it is not a matter of opinion, because this question was asked directly, and the reply was given directly.

Mr. HENDERSON: I mean as to whether or not an incentive or a bonus within this framework will be established or not. My point is this: the individual statements, coming down now, pinpoint the responsibility of station operation, the main responsibility for it, and they diagnose the situation for management; and if sales are not matching up to our budget expectations, or the cost of them is too high, then we look to that man to fix it. Time will show if a bonus or incentive will have to be considered.

The CHAIRMAN: This same question was asked of Mr. Bushnell and he agreed that a study should be made of the possibility of an incentive plan.

Mr. LAMBERT: Before I ask my question I would like to have a clarification from Mr. Gilmore as to the \$15.00 net operating revenue concept as originally set out, the one he referred to, whether that \$15.00 also includes the net operating revenue?

Mr. GILMORE: No; it is \$15.00 plus what commercial revenue we can gain to produce the service. This is the key to the thing.

Mr. LAMBERT: There has not been a change in the basic formula?

Mr. GILMORE: There is a reassessment of this each year by our president to pinpoint the cost and to ascertain where we are going.

Mr. LAMBERT: Basically it is the same?

Mr. GILMORE: That is right, as this sheet sets out.

Mr. LAMBERT: In arriving at this determination of your development, is that within the framework of existing or potential private television and radio sets in Canada, or do you consider the C.B.C. as all-embracing? In other words, would you pursue a completely independent line and say that we are going to look at Canada's requirements in television and radio, and as to the other people, we can ignore them?

Mr. GILMORE: No. This is a concept based on what Mr. Jennings pointed up in respect to our mandate, which is to establish and operate a national broadcasting system. The national broadcasting system as we have interpreted it, and as it has been more or less backed up from time to time is this: a partnership between the C.B.C. and private affiliated stations throughout Canada to provide the maximum coverage possible. I think that was well illustrated yesterday by Mr. Richardson's coverage map.

In the program and service field we take it as our responsibility, as Mr. Jennings has said, to develop a well balanced and comprehensive service on all networks; and that is pretty well the terms of reference.

Mr. MCQUILLAN: In respect to this \$15.00 per television home figure which has been spoken about, I presume it was based on an estimated number of television sets in use in Canada. How is the estimate working out? How is the coverage working out as compared to the estimate, because that \$15.00 must be based on an estimate?

Mr. GILMORE: It exceeded our expectations two-fold: first of all, in the voracity of the appetite of Canada for television; and secondly, set sales were far faster than we ever expected they would be.

Mr. MCQUILLAN: And that in turn would probably affect the costs.

Mr. GILMORE: It did. Both went up.

Mr. PICKERSGILL: Did the increase in consumption to date just about off-set the inflation?

Mr. GILMORE: In the first few years in television, due to the system of financing C.B.C. through the excise tax, we accumulated some surplus in operations, but it was dissipated as the years went on.

Mr. PICKERSGILL: Thank you.

Mr. FISHER: When you used the word "voracity" there seems to have been a bit of misunderstanding. Does not an increase in "voracity" mean more programming used, and therefore more cost?

Mr. GILMORE: That is correct. They wanted more and more television, as evidenced by the viewing patterns. And let us never forget that the viewing of television and the listening to radio is the second most popular pastime in this country; the first being sleep.

Mr. FISHER: The costs of extending the service—they get more costly as time goes on, and as you try to reach out into the more remote areas?

Mr. GILMORE: Yes. Mr. Richardson in his testimony yesterday used the criterion of the cost per home served and showed that it is going up as we go farther out. I think that is correct.

Mr. FISHER: If there were a study made, perhaps as a preliminary to new policy, would you say that the competitive factors—that is, if the C.B.C. does compete more for commercial revenue—are going to affect both the private stations and the newspapers which are the other factors in this field? And how close are you in your estimate now to causing a real problem for those two particular types of competitive agencies?

Mr. GILMORE: I am afraid I could not comment on that.

The CHAIRMAN: I did not think you could.

Mr. HENDERSON: Competition for the advertising dollar will be much keener with the introduction of the third element, and we must govern ourselves accordingly.

Mr. FISHER: I imagine you could get almost fantastic returns from commercial or national newscasts, which has one of the higher, and sometimes the highest viewer rating; and if you were allowed to do that, and if the policy would allow you to do that, how would that change your competitive position in so far as this one-third figure is concerned?

Mr. HENDERSON: I think it would improve it.

Mr. FISHER: Markedly?

Mr. HENDERSON: Possibly. It would depend on the price you get for it and the other factors in the thing balanced off against the loss you might get; and if it were possible to sell these things which you mentioned, we would profit accordingly.

Mr. McGRATH: I take it from Mr. Fisher's line of questioning that the corporation would welcome a new definition of the role of the C.B.C. with respect to commercial advertising. This seems to be the crux of the thing.

Mr. HENDERSON: You say the corporation would welcome it?

Mr. McGRATH: Yes, in its actual daily operations.

Mr. HENDERSON: I think that would be for the Board of Directors to answer.

The CHAIRMAN: Perhaps Mr. Landry would answer that question.

Mr. McGRATH: We have heard quite a bit about the commercial advertising aspects of the C.B.C. from the Fowler commission, in parliament, and in this committee here, yet there has never been a clearly defined policy with respect to commercial advertising. Is that correct?

Colonel R. P. LANDRY (*Controller of Administration, Canadian Broadcasting Corporation*): I would not think it is entirely correct. This is a matter that has to be settled by the board, and suppose the board decides to go to a certain limit I cannot really answer your question very definitely without consulting with them.

The CHAIRMAN: I would suggest that the board is new, Mr. McGrath—it is a young board—and I imagine that they will develop a new policy.

Mr. McGRATH: My question was put with the idea of perhaps helping us make our report.

Mr. PICKERSGILL: Has the corporation made any calculation of the effect of the establishment of competitive television stations, particularly in Toronto and Montreal, on its prospective advertising revenues?

Mr. HENDERSON: We are moving into that problem for the next two months, because we have this date next November—as I mentioned—and work is now under way. It is too early to be specific; but it is of course, one of the most important aspects.

The CHAIRMAN: I would suggest that any further questions on that could relate to "G.1", relations with private radio and private television.

Mr. PICKERSGILL: That is the only question I had, and Mr. Henderson has answered it the only way he can.

Mr. TAYLOR: We know your revenues today for television, and we know that private television is going to enter the picture in large centres. Do you still anticipate larger revenues in the future than you have had in the past—in television?

Mr. HENDERSON: As I said, in answer to Mr. Pickersgill, we are in the midst of doing this forecasting now. I think in certain fields we can anticipate

improvement; in others we have to face up to a loss. It is too early at this stage to be specific as to what places, or how we will do it.

Obviously, we have to make provision, I would think, for a reduction in our revenues because of the prospect of further competition. On the other hand, when you get close to the problem—and after giving it the best attention we can and getting the best advice we can—it may be we will not have to make as big a provision for the loss as we thought.

Mr. TAYLOR: If there are increased deficits, you may have to alter your program format?

Mr. HENDERSON: If we come up with the prospect of an increased deficit, there are only two ways in which we can handle it. One is to ask parliament to increase our vote proportionately; the other is to cut our expenses of operations right across the board.

Mr. TAYLOR: What happened in C.B.C. radio could happen in C.B.C. television?

Mr. HENDERSON: That is correct.

Mr. TAYLOR: And, as I understand it, we do not have many sponsored national shows on radio any more?

Mr. HENDERSON: No, I do not know of any at the moment.

The CHAIRMAN: Mr. Gilmore, would you like to add something to that?

Mr. GILMORE: I would say, sir, that what happened in network radio was the result of network television, and I would not expect that to happen in television to the extent that it happened in radio. There are still national advertisers who will want this medium, I am pretty confident.

Mr. PRATT: You may get the "smellies" in "feelies" though!

Mr. TAYLOR: Has the C.B.C. considered dropping the Dominion network because of the present situation?

Mr. FISHER: That is not on this part of the agenda.

The CHAIRMAN: I cannot see that it is on this at all, at the present time.

Mr. TAYLOR: It is relevant, in view of the fact—

The CHAIRMAN: I do not consider it to be relevant at all; I am sorry.

Mr. LAMBERT: Mr. Chairman, arising out of Mr. Gilmore's observations on Mr. McQuillan's question as to the nature of the increased demand and the relationship to cost: Mr. Gilmore stated that as demand for television increased, so it appeared that costs increased as well. But did they increase at an increasing rate, a constant rate, or at a declining rate—or you might arrive at a point where they met?

Mr. GILMORE: This started in about 1952, when we started our service, and the curve crossed over at about—if I remember correctly—1956-57. There was a cross over of that curve. I cannot remember the month. But up to that time we had accumulated quite a bit of surplus—as I answered Mr. Pickersgill a few minutes ago. Then there was a point reached where we were using that surplus to continue developing the service, because our service had not been developed.

You must remember this is based, too, not on a constant service of from six in the evening to midnight; it was moving back during the hours, providing children's programming and women's programming in the afternoon. That is why I say the increase will continue, or had continued, because there was more service to be provided—and that is the cost.

Mr. LAMBERT: Did that increased service increase your costs at a declining rate, a constant rate, or an increasing rate?

Mr. GILMORE: The increased development of service in the afternoon hours is at a cheaper programming rate. For the microwave network it is a little more expensive, because you go outside the contract hours. But I think the key to your question—if I can just get at the dilemma here this way—is this, that we have never received income on the basis of \$15 per television home. Our costs have not yet reached that \$15.

We received income on the basis of an excise tax levied on the sale of television receivers. Early on in television there was a slight bend on the curve—a reverse bend—and then it went very steeply up as income exceeded what we expected. The sales of sets were faster, showing two things; that our service was being well received, and that the public did want television per se. This led—again I come back to this—to the need for more service.

There was a good deal of pressure on us for types of service we were not giving, and this whole complex raised the whole curve up to a point, at about 1956-57, where the cost of the service crossed over with what we were getting from television receiver sales—excuse me for being so long, sir.

The CHAIRMAN: Go ahead.

Mr. GILMORE: Receiver sales, which had climbed fast in the early years, started to flatten off as we got around the 70 per cent saturation in some of the cities, and therefore our income decreased accordingly.

The CHAIRMAN: Mr. Henderson, might I ask: if you had reached your projected \$15 figure, what would your deficit be?

Mr. HENDERSON: It would be greater than it is now, by—

The CHAIRMAN: By 4, 5 or 6 per cent?

Mr. HENDERSON: Yes, by 6 per cent.

Mr. LAMBERT: Developing what Mr. Gilmore had to say here: in the original instance, what relationship was there between this \$15 figure and the determination of the level of the tax? Was there a relationship between the two, in the determination?

Mr. GILMORE: I am afraid that is policy beyond my knowledge, sir. I just do not know.

The CHAIRMAN: That would actually be a 33½ per cent increase, Mr. Henderson, on the other?

Mr. HENDERSON: Yes, it would be.

Mr. PRATT: I have a supplementary question, Mr. Chairman. Is there any indication of a second set per home having any effect on this levelling off of the sales of sets; or has the sale of sets pretty well become horizontal now?

Mr. GILMORE: The sales of sets have taken a downward dip, slightly.

Mr. PRATT: Actually downward?

Mr. GILMORE: A little downward, yes. 1957 was the peak year.

Mr. PRATT: Is there any indication of any effect from second sets per home?

Mr. GILMORE: I have not seen any trends projected that way, sir.

The CHAIRMAN: Are there any further question on Item "5"?

Mr. MUIR (*Lisgar*): I have a question that is supplementary to one Mr. Pickersgill asked some time ago. Perhaps we have lost the continuity a little bit; but I think it still applies. While it may be true to say that under the mandate the C.B.C. has from parliament anything recoverable from sponsors is a net gain, would it not be a good idea for management itself to regard the operating deficit as a loss?

Mr. HENDERSON: Management does not regard it in that sense. We think a proper description of it is "a net operating requirement". But, obviously, it is a profit and loss business; we do not disguise that fact. But we are operating under an act which requires that we provide a national broadcasting service. That is what we are doing and that is what it is costing. We pick up what we can elsewhere and, I think, what you call the difference becomes academic.

The CHAIRMAN: Gentlemen, can we leave 5. We have Item 6—principles on which annual budgets are prepared.

Mr. HENDERSON: I thought perhaps I had covered that.

The CHAIRMAN: I think you have. Are there any further questions in connection with 6? Is it agreed that we proceed to No. 7?

Agreed.

The CHAIRMAN: Gentlemen, now we come to C.B.C. rate structure; are there any questions on that? Mr. McGrath, did you have some questions?

Mr. MCGRATH: I am trying to follow this, in terms of the agenda. Is it No. 8 on the agenda?

The CHAIRMAN: No, No. 7—the C.B.C. rate structure. Mr. Johnston is the assistant controller of broadcasting (commercial), and he will be our witness on this.

Mr. BELL (*Carleton*): Perhaps we should have a general statement from Mr. Johnston first in connection with the principles on which the rate structure is based.

The CHAIRMAN: Yes; have you a statement, Mr. Johnston.

Mr. W. R. JOHNSTON (*Assistant Controller of Broadcasting (Commercial)*): It is broken down into four areas really and, broadly of course, into television and radio, and under each of those main headings into network and selective business.

Mr. MCGRATH: Mr. Chairman, before he proceeds, in view of the time which we have left to sit—until 11 o'clock—could we have his statement now and then adjourn and pick it up from there at the next sitting?

The CHAIRMAN: It will depend on the time it takes him to give his statement.

Mr. JOHNSTON: This will not take many minutes. First of all, I would say that rates, whether they are network rates or selective rates for individual stations, must be related just as the advertising rates of a publication are related to the circulation that it delivers.

In the case of the television network, if I might speak first on that, we have established our network station rates based on a formula that was worked out in conjunction with a committee representing the private affiliates. It is based on what we call the unduplicated network, the A and B potential coverage of each network station. It takes into account, what we think is proper—that an advertiser buying the network should not pay more than once for any given television home. So, by statistical methods, which are based on figures supplied to us by the dominion bureau of statistics and the R.E.T.M.A., which is the Radio Electronic and Television Manufacturers Association, we do projections each year—and this is done in the spring of each year—as to the number of television homes that there will be in the country as of the following January 1. Our rate changes actually are made on July 1 but, as is customary in the industry, a six-month rate protection is given to current advertisers.

In the case of a station that has no duplication, we then determine the number of television homes within its A and B contours. In other cases we note whether there is an area of overlapping between one station and another; we determine the line of equal service between these two stations, and allot the number of homes on one side of the line to one station and those on the other side of the line to the other station. Having determined then what these figures are, we relate them to a rate schedule or curve, which is worked out with each affiliate, and the indicated network rate results from that.

As I say, we have used the above method for some time. However, back in 1956, it was modified to a small extent; that is, the rate curve was; and it has been in use since that time.

In meeting with our affiliates from time to time, it has been suggested that perhaps a better method of setting network rates might be found, one which would take into account in some measure the circulation, setting up one station as against another, particularly in areas where there is overlapping. We agreed we would study this, and we have been studying it for a good many months now. It has been a very complex thing to do. Our next step is to complete the study, which we hope to do within the next few weeks. We then intend to bring it forward for further discussion with our own affiliates. Meanwhile, the rates as of July 1, have been set in accordance with the same method as used for the past several years.

If I might go then to our local sales on the stations we own, here again we go out to get as much as the market will bear. But once more we have to relate the rates that we charge to a circulation that is delivered by the station; and we have to take into account a further factor, that is, in some areas of the country, advertisers themselves may not place as high a value on a market of a given size, as they would to another market of a given size. We have to keep our eye pretty closely on the sales pulse at each one of these locations. For instance, at the present time, of our eight CBC stations, there are two, as I recall, our English stations in Montreal and Toronto—where our selective rates are somewhat higher than our network rates.

Mr. McGRATH: Are you talking about radio or television?

Mr. JOHNSTON: I am still talking about television. In all others, except one, we have established the selective rate at the same level as the network rate, simply because it is the best rate that we feel we can get for those stations in those markets; and there is one case, which happens to be our French-language station in Ottawa, where we have found it necessary to set our selective rate a little lower than the network rate. We had a peculiar station in the Ottawa area—and I do not know of it obtaining anywhere else—where because the French-speaking population in this area is to such a large extent bilingual, a good many advertisers feel they can reach that market quite effectively—perhaps not fully, but rather effectively, by means of their English advertising. This has been our experience not only in television but in radio down through the years.

Turning now to our radio networks, the situation is that the last general revision of our radio network rates took place in 1952. There were further minor revisions in 1953 but, by and large, the radio network rates have remained unchanged since that time. Now, of course, during this period television advertising was forging ahead; radio network advertising was steadily declining. Advertisers were diverting their radio ads to television to an increasing degree. So, it was our view during that period that if we had made further upward revisions in radio network rates we would have succeeded merely in driving more business off the radio networks. We also had the feeling that in due time—and we did not know how fast this would happen—there would come a levelling off in television viewing and a resurgence of interest in radio listening. This, I think, has definitely happened. It reflects, among other things on the part of

radio stations and radio networks generally, a recasting of their radio program service, the devising of new programs and new techniques, and this has had quite an effect, both in the United States and Canada, in the development of an upward swing in radio listening. So, because of this we have had under way now for several months a complete review of our radio network rates. This has been an involved study. There are about 117 stations all told which we had to consider individually. At the moment we are getting close to finalizing this study, and I would expect that once it is finished and after we have management approval of it, that revision in network rates will then be made.

The CHAIRMAN: When do you expect to be finished?

Mr. JOHNSTON: I would expect within the next month.

Finally, Mr. Chairman, there is just one other thing. In respect of our own C.B.C. radio stations, as I believe already has been said at earlier meetings, for quite some time we were not too active in the selective advertising field on C.B.C. radio stations. The recommendation was included in the report of the Fowler commission that we become more active in this area. We got under way with this, particularly in the Ontario region as a starter, early in 1958.

At the same time we made certain upward revisions in our selective rates for all our radio stations and, more importantly that that, we changed what we call the time classifications. Whereas class A, the highest rates, previously had applied to night-time, we now made them apply to day-time. The over-all effect was to increase quite substantially the rates charged for the times of the day we could sell. We did this on rather an experimental basis in order to see how the thing would work out. We had in the back of our minds that possibly every two years we might have to make further revisions in those rates. This we have done.

At July 1 we introduced further new rate cards and that is where the matter stands today. Over all, for the periods we can sell, we have increased our selective radio rates to some degree.

The CHAIRMAN: Thank you. Gentlemen, will you please hold your questions until this afternoon. We will reconvene at three o'clock.

May I have your permission to insert the three further statements, the summary of construction 1953 to 1958, the costs of microwave and conditions of rental contracts, and the costs of rental of studios and rehearsal halls.

Agreed.

Mr. McGRATH: Could we have the new rate structure as of July 1? Could we have that this afternoon?

Mr. JOHNSTON: The new television rate cards are not yet printed. The rates have been announced to the agencies by circular letter. They are on the press now and will not be available for another couple of weeks.

Mr. LAMBERT: Are you going to call any further meetings this week?

The CHAIRMAN: We might call one this evening.

AFTERNOON SESSION

THURSDAY, July 9, 1959.

3 p.m.

The CHAIRMAN: Miss Aitken and gentlemen, we have a quorum.

May I have your permission to print in the appendix two further items that have been delivered to us, one entitled "International Service—the cost

per language section, 1957-58", and then some answers to some questions by Mr. Egan Chambers. Gentlemen, is that agreeable?

Agreed.

Mr. BELL (*Carleton*): Are these being distributed now?

The CHAIRMAN: Yes, they are being distributed now. While they are being distributed, I understand Mr. Tremblay has a short question.

Mr. TREMBLAY (*Interpretation*): Mr. Chairman, have you not received a letter from Mr. Pierre Chaloult from the *Le Droit* in connection with the questions put respecting him by Mr. Johnston?

The CHAIRMAN: Yes, I received it and Mr. O'Connor, our Clerk of the Committee, has it. We shall bring it up in the steering committee, when next we meet, which will be tomorrow. Is that satisfactory, Mr. Tremblay?

Mr. TREMBLAY: Yes, thank you.

The CHAIRMAN: Mr. Johnson, have you a supplementary on that?

Mr. JOHNSON: No, it concerns a question about some information I have asked about C.B.C. films; this was to be brought before the steering committee.

The CHAIRMAN: Yes, and we have not had a meeting since.

Mr. Gilmore, you now have an answer to a question asked by Mr. McGrath this morning.

Mr. GILMORE: Yes. This was in connection with the hours of live production in Toronto and Montreal. The average position is as of last year that a year of production out of Toronto would be just under 1,600 hours, and Montreal, 2,600 hours.

The CHAIRMAN: Thank you very much; is that satisfactory, Mr. McGrath?

Mr. McGRATH: Yes, thank you.

The CHAIRMAN: Miss Aitken and gentlemen, we completed Mr. Johnston's statement this morning. Now, are there any questions under Part D. Item 7.—C.B.C. Rate Structure?

Mr. McGRATH: I understand from what was said this morning that there has been a new rate structure.

The CHAIRMAN: That is right.

Mr. McGRATH: In effect since July 1, for radio and television.

Mr. JOHNSTON: Mr. Chairman, the new network rates for television came into effect on July 1 and there were also some revisions in our selective rates; by that, I mean our individual station rates in television as of July 1. Also, on July 1, some modifications in our selective rates for radio stations and, as I mentioned, our study of radio network rates have been going on for some time, and it is not yet completed.

Mr. McGRATH: Are your local rates set on your potential audience or your actual audience?

Mr. JOHNSTON: We have to relate our station rates very definitely to the audience to which we deliver.

Mr. McGRATH: Just for clarification, would you perhaps explain that.

Mr. JOHNSTON: Well, I think I would explain it this way. You cannot relate your rates to your own whole potential because you do not deliver that potential. You adjust your rates—with one eye, shall I say—on the share of audience that you are getting in your market, and also an eye on the value of that market to the advertiser, and what the advertiser in general is prepared to pay.

Mr. McGRATH: At that rate, would not this make your rates in a fairly small competitive area, where the market was held by private stations, rather lower than the private stations?

Mr. JOHNSTON: Yes, it would make it lower.

Mr. McGRATH: Lower?

Mr. JOHNSTON: Yes, very definitely; but the degree to which it would be lower would depend on the market.

Mr. McGRATH: Even though perhaps in most cases your power outlet would be greater than the private station?

Mr. JOHNSTON: That is only part of the answer.

Mr. McGRATH: It is your ability to deliver a signal?

Mr. JOHNSTON: Yes. You have to consider not only the power of your transmitter, but where your transmitter is located in relation to the transmitters of other stations, which may be closer to the heart of the centre of population.

Mr. McGRATH: Well, Mr. Johnston, does not this result in quite a lot of protest from the industry? Does it not, by the stations who take exception to the fact that the Canadian Broadcasting Corporation are selling below their rates.

Mr. JOHNSTON: I am not aware of any general complaint in this area.

Mr. McGRATH: This was raised in parliament last winter in respect of the Montreal market, if I am not mistaken, and another market as well.

Mr. JOHNSTON: I believe there may have been one or two instances; but I am not aware of any general complaint of this nature.

Mr. McGRATH: Is an effort ever made to standardize your rates with other rates prevalent in the industry in a particular location?

Mr. JOHNSTON: I do not know that it can be said there is any standardization as such among the rates of other television stations or radio stations across the country. I think it has to be settled by each individual station having regard to the market in which it is serving.

Mr. McGRATH: My point is rates have to be competitive. They must be competitive with one another and be competitive to the point of still being within the confines of good business ethics. Is that right?

Mr. JOHNSTON: That would be right; yes.

Mr. McGRATH: How much would the difference be—this is a rather difficult question to phrase without giving a specific market.

The CHAIRMAN: Can you mention the market?

Mr. McGRATH: Well, in the Toronto market, for example—better still, I will give you the Windsor market where you only have C.B.C. radio. What would be the difference in the C.B.C. rate card locally and the local radio station?

Mr. JOHNSTON: I could not answer that. The information is published, but I do not have it with me.

The CHAIRMAN: All the local stations would be Detroit stations?

Mr. JOHNSTON: There is one Windsor station.

Mr. McGRATH: Is there an instance where your rates are 50 per cent lower than the independent radio station?

Mr. JOHNSTON: Again, I could not answer that specifically.

The CHAIRMAN: Is there any person here who could answer that?

Mr. JOHNSTON: I have not studied it specifically. This information could be obtained. I have not done that type of study.

Mr. McGRATH: Were the other rate cards in the industry standard before you set up your own rate structure?

Mr. JOHNSTON: I would say we have never attempted to set our rates on any basis other than the circulation that we deliver and the rate which we think we can get for that circulation.

Mr. McGRATH: Irrespective of your overhead in that particular operation?

Mr. JOHNSTON: I come back to what I said this morning, that your rates have to be based on the circulation that is delivered and the rate that the advertiser will be prepared to pay for it.

Mr. McGRATH: I know; but if a private radio station could not realize a profit it would not be in business. If it could not break even it would have to go out of business. I would suggest this should be considered in setting up your own rate card.

Mr. JOHNSTON: I feel it comes back to the basic type of program. The over-all programming pattern of C.B.C. stations generally provides a pattern of programming which we know will not deliver what you might call a mass audience.

Mr. McGRATH: Do you have a campaign within the organization to go after, in a serious way, local commercial business? Do you have your own local sales promotion? Is it encouraged? Do your own respective station managers have authority to put on sales promotions in order to encourage local business?

Mr. JOHNSTON: Not so much at the individual station level. We have a very active sales force at Toronto and Montreal handling what we call national selective sales. I might ask at this point if we are speaking of radio or television?

The CHAIRMAN: I think the question was in respect of radio.

Mr. McGRATH: I was rather thinking in terms of both, but primarily radio because that is where you are mostly concerned with local business.

Mr. JOHNSTON: Yes. At the Toronto and Montreal commercial offices we are split into radio and television. There are two separate divisions in those areas in that the television field is split into network sales and national selective sales where we are trying to sell from Toronto and Montreal selective business on all our television stations. We do the same thing in radio where we try to book business on our stations, if not on the entire group, then on as many of them as we can. There is definitely a continuing sales effort going forward in that area.

Mr. McGRATH: Overhead is not a factor in determining rates.

Mr. JOHNSTON: No; I would say it is not.

The CHAIRMAN: Any further questioning on rates structure?

Mr. BELL (*Carleton*): Mr. Chairman, I am not clear, from what Mr. Johnston said this morning, as to the effect upon the rates structure which was forecast, of the possible entry of private stations into what are now the exclusive TV areas.

Mr. JOHNSTON: Mr. Chairman, I do not believe I touched on that subject at all. Indeed, I do not know that I can at this stage. This is in the future, and we have not reached any firm conclusions in our own minds.

Mr. BELL (*Carleton*): Would you feel that would result in a substantial reduction in your rate charges in those possible competitive areas?

Mr. JOHNSTON: This is something that conceivably might happen, but I would feel at the moment it would be more likely to level rates off and, as it were, freeze them where they are.

Mr. BELL (*Carleton*): Existing rates would continue throughout those areas?

Mr. JOHNSTON: This would be my thinking at the moment. Circumstances might well dictate otherwise.

Mr. BELL (*Carleton*): Why would you believe that?

Mr. JOHNSTON: I would say that, for one thing, the markets are going to increase, the number of television sets—we have not yet reached the saturation point—so that in markets where second stations may come into operation it is reasonable, I think, to expect that set circulation will continue to grow. There will then be a division of the areas between whatever stations are heard in the area.

It might be that some reduction in rates might be necessary; but my thinking at the moment is it would be likely these rates would level off.

Mr. BELL (*Carleton*): You do not believe the introduction of private TV will result in any loss of revenue to the C.B.C.?

Mr. JOHNSTON: No, that is entirely another thing. What your rate is and how much business you have at that rate—they are two different things. If the business is split, then it is only reasonable to assume there would be a reduction in revenue.

The CHAIRMAN: Mr. Johnston, do you, under your jurisdiction, more or less consider yourself sales manager? Do you have this sales department under your jurisdiction?

Mr. JOHNSTON: No, Mr. Chairman, I do not. At head office my particular areas have to do with commercial policy in general, the rates structures of our networks and stations; and also the administration of our commercial projects across the country. Sales headquarters for the English network is at Toronto; and for the French network, at Montreal.

The CHAIRMAN: Any further questions on rates structure?

Mr. McGRATH: I have one final question.

The CHAIRMAN: Yes, Mr. McGrath?

Mr. McGRATH: Mr. Johnston, we heard earlier in these hearings about a system of cost accounting,—

Mr. JOHNSTON: Yes.

Mr. McGRATH: —in the corporation, where in the costs of the capital expenditure this system of cost accounting was used, whereby part of the president's, the vice president's and managerial salaries went in the make-up of your cost, your capital expenditure.

You do not have to answer this, but do you not feel it would be wise to carry this practice into the setting up of your rates?

Mr. JOHNSTON: Mr. Chairman, I am not versed in cost accounting.

The CHAIRMAN: That would be cost accounting and Mr. Henderson might be able to answer that. Mr. Henderson, maybe you would like to answer that?

Mr. HENDERSON: If I understood Mr. McGrath's question correctly, he was referring to the overhead which you saw added to the program production costs which were tabled; and I made a statement in which I outlined what that overhead is intended to recover and how it has been the corporation's practice to add it to each of its published costs.

I think your question, Mr. McGrath, to Mr. Johnston—as I interpret it—is: should not that factor be taken into account in the setting of the corporation's rates. Is that the question you wish to ask, Mr. McGrath?

Mr. McGRATH: That is the question.

The CHAIRMAN: Yes, that is the question.

Mr. HENDERSON: I would respectfully suggest, in setting the corporation's rates, that overhead is taken into account; but there is also another factor that has to be taken into account, and that is, what the market will bear.

Were the entire overhead to be taken into account, and were we able to realize the result in an increase, we would be on a break even basis, or showing a profit in the entire operation. But it is not practical because the advertiser, as was explained earlier, is going to pay what that time is worth to him viz-a-viz other media.

Therefore we have to draw a line in arriving at a rate and in arriving at a realistic one in terms of the market. That is the point that Mr. Johnston is making, sir. We are perfectly aware of the incidence of this overhead, very well aware of it, I may say.

The CHAIRMAN: Miss Aitken and gentlemen, may we proceed to Part E., Organization?

Mr. CHAMBERS: Mr. Chairman—

The CHAIRMAN: Do you have a question on D, Finance?

Mr. CHAMBERS: I have questions on finance, on the forecasts arising out of these returns that have just been made.

The CHAIRMAN: Proceed, Mr. Chambers.

Mr. CHAMBERS: To whom do I address myself?

In the cost per language section of the international service, under A, we have central and eastern Europe, German, Polish, Czech, Russian, and Ukrainian, with salaries of seven each, \$36,000 times five. I do not know what seven each means.

Mr. HENDERSON: These figures have just arrived from our international service in Montreal and I have only seen this schedule for the first time. I interpret it to mean—perhaps if the schedule were set up in a slightly different pattern, it would be self-explanatory—but the salaries for the sections of the five countries is \$36,000; so five times that is \$180,000 for each of the seven sections; seven German, seven Polish, seven Czech, seven Russian, and seven Ukrainian. I would interpret that to mean that each of the individuals, 35 of them in all, would be pulling down about \$1,000 apiece, or about \$80 per month, based on eight hours of work per day. They are not on full time. Perhaps my associates would check on that, but that would seem to be logical.

Mr. CHAMBERS: I know there are some full-time people employed, but I do not know how many.

Mr. HENDERSON: There may be some exceptions. I was just taking the average.

The CHAIRMAN: Would you like to check it?

Mr. HENDERSON: I would be glad to.

Mr. CHAMBERS: Under D, we have \$50,000 for salaries in English, and performers' fees of \$25,000. Does the international service broadcast in English, and if so, to whom?

The CHAIRMAN: May I suggest that Mr. Henderson review this whole matter and we can check with him again tomorrow morning.

Mr. CHAMBERS: Under printing and publications, on page 432 of the minutes, I noticed there is a doubling of the cost of printing and publications, and that advertising and publicity have also doubled. I have the answer for printing and publications but not for advertising and publicity. It is not a terrific item, but it went up from \$6,000 to \$12,000.

Mr. HENDERSON: I shall bring that down as well.

Mr. McGRATH: I believe Mr. Henderson has some information for the committee with respect to paragraph 2, analysis of financial statements.

The CHAIRMAN: Were you able to get this together?

Mr. HENDERSON: Well, it was not on that. I thought that Mr. McGrath was referring to an earlier reference to the action taken to implement the Fowler commission report, as distinct from financial statements. The financial statements are limited to the 1958 ones, as to which no questions arose. But I have some comments on the action taken to implement the Fowler commission report.

The CHAIRMAN: We will get that later. We are on organization generally, and Mr. Carter is sitting beside Colonel Landry. Does Mr. Carter have a statement?

Mr. MARCEL CARTER (*Controller of Management, Planning, and Personnel, C.B.C.*): I would like to make a short statement if you would permit me.

The CHAIRMAN: Very well.

Mr. McGRATH: Before Mr. Carter proceeds, this part E reads:

organization generally

(a) analysis of organization charts and examination whether responsibilities of respective departments and divisions are fully defined.

I thought this question was covered before we got down to this agenda.

The CHAIRMAN: A lot of this is pick up. If you will recall it, Mr. Carter went through the organizational chart with us at one of our earlier meetings, and if there are any questions which were missed at that time, this is our last opportunity to ask them. If you are not repeating any statements you made before, Mr. Carter, would you please continue now?

Mr. CARTER: In his initial presentation to the committee, Mr. Bushnell submitted charts that give a picture of the main functions and relationships of the various groups that make up the organization of the corporation.

Before dealing with questions the committee may wish to ask on the functions of the principal officers at head office and in the field, I would like to say something on the development of the organization of the corporation.

Prior to television in 1952, despite dispersal of stations, production centres and facilities, the corporation was tightly controlled through functional divisions with heads of each being located centrally in order to report readily to the general manager.

Several years ago to take care of the developing workload, particularly as a result of television, it became necessary to consider means or ways of delegating responsibility for decision-making as close as possible to the scene of action, which lead to a decentralized approach to organization planning. This decentralization is still going on and has been a gradual one. I am sure if Mr. Ouimet were here he would tell you that organizational development has been difficult, and is still complicated, by the heavy load placed on the senior staff of the corporation to keep the current operations under way.

He would also indicate that we are going through a transition period. The recent changes in the act, the appointment of a new board of directors, the difficulties we have encountered in the past few months have impeded our progress in this area.

It is just over a year since Mr. Ouimet decided that the task of developing and defining the organization structure required the full time of a small group who could specialize in management planning and development.

At this time also it was made clear that in organization work it was not intended to destroy the individuality and personality of our executives. A program was submitted in order to determine and clarify the responsibilities of each segment of the organization so that those responsible for an area will know how they can act on their own initiative, and if they have to refer decisions to others, to whom reference should be made. An endeavour was made to secure the cooperation of all senior executives in this program.

We can therefore consider organization planning in the Corporation as the process of setting up administrative units to conduct operating activities of the corporation in geographical areas in line with established policies. Operating management should have control of the essential elements of their operation such as personnel, allocated budgets and production.

Management at head office, however, cannot relinquish through delegation the responsibility for the total activities of the corporation. This is done by establishing:

- (a) Over-all objectives, policies and plans.
- (b) Systems of communications, so that management at all levels will understand these corporation objectives, policies and plans.
- (c) Means of evaluating and controlling the performance of operating management.

As in any well run organization, the structure of the corporation is authorized and enforced by the chief executive, but each officer in charge is responsible for recommending the duties, relationships and form of his unit and may ask for and obtain consultant assistance from management planning and development.

The structure of the organization to operate and control the activities of the C.B.C. has been and is being built in relation to many factors. These include the nurture of a proper atmosphere to enable creative people to plan and present programs in radio and television; the operation and control of activities at facilities widely dispersed geographically; the central direction, co-ordination and control of complex and difficult operations to provide a national broadcasting service in two languages.

Mr. Chairman, that is my preliminary statement. I do not know whether you would want me to talk about specific responsibilities.

The CHAIRMAN: We will see if there are any specific questions.

Mr. McGRATH: I see here by the chart—which is not identified by any specific code number—that the total for the Ottawa staff is 393; is that correct?

Mr. CARTER: For the headquarters in Ottawa, yes.

Mr. McGRATH: Your Toronto staff is 2,316?

Mr. CARTER: That would be the Toronto studios and the transmitter.

Mr. McGRATH: Would it be more economical to have your headquarters in Toronto at the base of the operations?

Mr. CARTER: Toronto is the headquarters for English network operations. We also have the French network operations located in Montreal—and the Ottawa group has as much responsibility over policy and general direction in Montreal as they have over Toronto. The relationship should be the same.

Mr. McGRATH: I should rephrase my question.

Mr. BELL (*Carleton*): You certainly should, or you are going to get into an argument with the member for Carleton very fast.

Mr. McGRATH: I was going to suggest, in the interest of good, sound economics within the corporation, would it not be better to have the headquarters of the corporation in either Toronto or Montreal?

Mr. CARTER: Outside of the economic factor, if I might mention it, the Act specifies the head office of the corporation is to be located in Ottawa.

Mr. PRATT: Mr. Chairman, I have a supplementary to that, going back to something I raised at one of the first meetings of this committee. I asked at that time if it might not have been better to have concentrated all production in a city such as Montreal—where you can produce bilingual shows—rather than have two very expensive, repetitive production centres, in a

country the size of Canada—17 million people—whereas in the States you only have two production centres, with about 180 million people, Chicago being comparatively unimportant from the television point of view? If somebody could answer that question today, I would be very much obliged.

Mr. CARTER: For one thing, you mentioned repetitive. I can assure you that the Montreal facilities are over-taxed at the present time to meet just the requirements of the French network.

Mr. PRATT: By "repetitive" I mean the overhead, the offices—I will not use the word "bureaucracy"; that would not be too popular, I imagine—costuming, carpentry, manufacture of sets, make-up: all these things are needed in both places. I am not suggesting you could combine these two in your facilities on Dorchester street; but might it not have been better planning from the very beginning had some large area been taken out in the suburbs, where you could have had a single-storey production rather than a multistorey production such as you have on Dorchester street, in the light of the fact that in New York they have found it uneconomical to bring wood and materials into the centre of the city?

The CHAIRMAN: Is there enough land out in Dorval, Mayor Pratt?

Mr. PRATT: I am not thinking of Dorval; more towards the centre; but certainly in such a centre as the film board has taken up—

The CHAIRMAN: We are getting into observations.

Mr. PRATT: I am asking a question, if I may have an answer.

The CHAIRMAN: What is your question?

Mr. PRATT: May I have it repeated by the reporter?

The CHAIRMAN: Mr. Fisher?

Mr. PRATT: Mr. Chairman, I am waiting for an answer on that. I am asking if it might not have been better planning at the very beginning to have had one—

The CHAIRMAN: I do not think it is within Mr. Carter's scope to answer that.

Mr. LANDRY: That is a question of higher policy for the members of the board. What we have now has been decided, and any changes will be a matter for the board.

Mr. PRATT: Mr. Chairman, if I may make one observation. The purpose of the C.B.C. is supposed to be to tie this country together, as the C.P.R. was supposed to do. Here we have a divisive force operating; we have the entire English production concentrated in Toronto and the entire French production concentrated in Montreal. If the artists, the cultures of the two centres were rubbing shoulder to shoulder and working together, we would have the sum of the two cultures—each would work upon the other and in that way we could find a Canadian culture of our own. When they are in separate cities, each one works on its own. One production centre for both would help this country artistically and culturally. However, I will not make any further observation.

Mr. FISHER: May I make an observation?

Mr. LAMBERT: Let us have an answer, Mr. Chairman.

The CHAIRMAN: You had your answer from Colonel Landry, to the effect that this was a decision made by management some years ago, and the sins of their forefathers, more or less.

Mr. LAMBERT: If you assume there is a sin, is it necessary to perpetuate it?

The CHAIRMAN: It was just the chair that said there was a sin.

Mr. PICKERSGILL: A supplementary question: is Toronto a sin?

Mr. PRATT: Montreal is a very typical Canadian city.

Mr. FISHER: It is not typical.

Mr. PRATT: And it is an English-speaking city as well as a French-speaking city.

The CHAIRMAN: Let us not have observations but questions.

Mr. FISHER: Out of your observation on that, could you give us a breakdown of French Canadians and English Canadians, in terms of total figures?

The CHAIRMAN: Do you mean a breakdown, or in total?

Mr. FISHER: No, I do not mean costs; I mean staff.

The CHAIRMAN: That will come under personnel.

Mr. McGRATH: Would that not be on this chart?

Mr. FISHER: If I am following what Mr. Pratt has said. A lot of these people in Montreal—

The CHAIRMAN: You will find that under personnel statistics for five years. That is the next item.

Are there any questions of Mr. Carter on the over-all organization? Then, Miss Aitken and gentlemen, we will proceed to personnel. Mr. Carter is going to be our witness on that, Colonel?

Mr. LANDRY: Yes.

The CHAIRMAN: This is the first part of personnel, under (a)—personnel statistics for five years. Are there any questions on (a) of personnel? You had a question, Mr. Fisher, did you not?

Mr. FISHER: Do you remember it?

Mr. CARTER: Mr. Chairman, I cannot give a precise answer, but if it is satisfactory, I consider it is close to 30 per cent—close to a third.

The CHAIRMAN: Could you find it in this chart?

Mr. CARTER: No, it is not broken down in that way.

Mr. FISHER: Could you indicate how much of that 30 per cent falls within the purview of the French television network?

Mr. CARTER: A great majority of those employees are in the French network.

The CHAIRMAN: Are there any further questions on (a)? Then, gentlemen, we will pass on to (b), recruiting policy, public competition.

Mr. BELL (*Carleton*): Is that the practice—

Mr. CARTER: I could make a short statement on that.

The CHAIRMAN: If you would like to make a short statement on that, please proceed.

Mr. CARTER: The policy of the corporation is to promote within the service whenever possible. Vacancies occurring within the corporation are made known to staff, whose applications receive consideration before such vacancies may be advertised at large.

Where the vacancy is not filled from within, applications are solicited from outside the corporation by means of advertisements in newspapers or trade journals and contact with the various agencies and schools which constitute the source of recruitment.

The recruitment and selection functions are performed by the employment offices at the various locations in close conjunction with the department heads concerned. Depending upon the nature of the vacancy, the initial contact with the applicant may be made by either the employment office or

the department head. It is the latter who makes the selection as to the successful applicant, which selection is usually supported by advice received from the employment office.

Where there are many applicants for any given position, a file of applications containing an evaluation of qualifications and experience gathered by the employment interviewer is consulted and usually provides an acceptable candidate.

The employment office is responsible for ensuring that each application, solicited or unsolicited, is given consideration and also that the applicant is kept informed of the corporation's decision. Unsuccessful applications are retained on file for varying periods of not less than one month.

Certain types of employees are hired on the basis of tests, which are administered in the employment office and the results forwarded to the departments concerned.

It is the corporation's policy to interview all applicants who present themselves at the employment office, whether or not a specific job is available or whether only general information concerning employment opportunities is being sought. That is all.

Mr. McGRATH: Mr. Carter, what is the policy of the corporation with respect to applicants other than Canadian citizens?

Mr. CARTER: We endeavour at all times to give preference to Canadian citizens; but if there are positions where it is difficult to get a Canadian citizen, we might hire a non-Canadian citizen. But we usually request him to express his intent of becoming a Canadian citizen at the time of hiring, and this intent is expressed by contacting the Department of Citizenship and Immigration and getting the permit.

Mr. McGRATH: In terms of air personnel, the corporation obviously are not reluctant to put an announcer on the air who has an accent foreign to Canada; for example, a person with a British-type accent which is not compatible for commercial radio in Canada.

Mr. CARTER: On that, it is not a question of nationality, I would say; it is really a question of competence and ability to fill the job required. I would think that a strong foreign accent would certainly be an impediment to a person wishing to be hired as an announcer.

Mr. McGRATH: But the point I would like to make is that preference is given to Canadian citizens?

Mr. CARTER: Definitely.

Mr. McGRATH: In specific types of—

Mr. CARTER: For all types of employment we try to hire Canadian citizens first.

Mr. TAYLOR: How many non-Canadians are there employed by the C.B.C.?

The CHAIRMAN: Can you answer that?

Mr. CARTER: I cannot give that offhand, sir.

Mr. LAMBERT: In your recruitment do you find that you get quite a flow into the C.B.C., or a flow out of the C.B.C. into the field of private radio and television?

Mr. CARTER: When new television stations were opened we have lost some employees; but generally it has been—in radio particularly—the reverse, that announcers and technicians from private stations have been coming to the corporation.

Mr. LAMBERT: In other words, do you feel that you are getting more from private stations than you are furnishing private stations—shall we say, the ebb and flow of staff?

Mr. CARTER: The experience has been such in the past.

Mr. LAMBERT: Can you hazard an opinion as to why that might be?

Mr. CARTER: Well, we have rates of pay in most areas set by collective agreements, which generally meet the going rates in Canada, and we are operating networks and as such we require the best qualifications of technicians and announcers, and I do not believe that, in general, private stations pay those rates.

Mr. FISHER: Last year there was a case in which the loyalty of a certain C.B.C. person—a candidate for employment—was in question, and there was a study of the matter by the Minister of Justice and, I believe, some kind of ruling.

Could you explain to us, in the light of that, just what is the relationship in this regard between those seeking work, their applications, and the screening that they may go through?

Mr. CARTER: Mr. Chairman, I would like to state that all employees are screened. We follow the general practice of the government in this respect.

Mr. FISHER: In other words, it is identical with the Civil Service practice, as far as you know?

Mr. CARTER: Yes.

The CHAIRMAN: Similar, more than identical?

Mr. CARTER: It would be similar; and we seek advice from the same sources.

Mr. FISHER: Are there any reviews of screening after the employee has been working for some time? Have there been any occasions in recent years where you have had reviews in this matter?

Mr. CARTER: Yes, occasionally.

Mr. FISHER: What usually triggers such a review?

Mr. CARTER: It is difficult to say definitely. It may be the director of a service.

Mr. LANDRY: I can say, Mr. Chairman, I do not think it is a review as such—taking all the cases. But if a man is promoted to a certain job, then we might review his case.

Mr. FISHER: You mean, certain jobs are classed as more—

Mr. LANDRY: That is right—supervisory levels.

Mr. FISHER: There is not within your C.B.C. organization anything that would be classed as sensitive to security, or anything like that, is there? I mean, more so than the ordinary government department?

Mr. LANDRY: No, I would say that is about right.

Mr. FISHER: I would just like to give my reasons for asking those questions, Mr. Chairman. I think I should give them, because there have been some indications at various times by various members of parliament—not in this particular house—that there are people in the C.B.C. whose loyalty could be questioned; and as I am one who believes the R.C.M.P. does a fairly thorough job of screening, I think this should be an indication that the C.B.C. employees in this particular regard must be all right.

The CHAIRMAN: Do you have a question you would like to ask after that, Mr. Fisher?

Mr. FISHER: No.

Mr. PICKERSGILL: Mr. Carter mentioned collective agreements. Under any of your collective agreements—I confess I perhaps should have read them, but I have not—are employees required, if they accept certain jobs, to become members of the union?

Mr. CARTER: Membership in the union is not a requisite; but in our agreements we have a clause which covers payment of dues by people who are hired under bargaining agreements, a modified form of the Rand formula. But membership in the union is not required.

Mr. CHAMBERS: In the recruitment of, particularly, administrative personnel do you tend—you said, as a general thing, within the corporation—to take them from, say, technical and artistic people, or do you recruit people from outside with administrative experience?

Mr. CARTER: I can give as an example the manager of industrial relations, who had a background in engineering; and his assistant is also a professional engineer. Does that answer your question?

Mr. CHAMBERS: In other words, you do tend to recruit administrative personnel from technical or artistic groups within the corporation?

Mr. CARTER: We do; but not necessarily so. In other words, because they have had engineering or artistic background it does not preclude them from getting administrative positions; that is what I am saying. But they do not necessarily have to be in that area.

Mr. CHAMBERS: But the tendency is to promote them from within the corporation rather than, let us say, looking for business school, commercial graduates and that kind of thing?

Mr. CARTER: I would say that the first criterion is the ability of the man to do the job. If he is able to do the job we will give him an opportunity to get a promotion.

The CHAIRMAN: Are there any further questions on (a)?

Mr. BELL (*Carleton*): Yes. Has there been any external review, either of classification or of recruiting policy?

Mr. CARTER: As far as classifications are concerned, we have had a job analysis—a job evaluation system, going on since 1944.

Mr. BELL (*Carleton*): By whom?

Mr. CARTER: Inside the corporation.

Mr. BELL (*Carleton*): It is an inside review?

Mr. CARTER: Yes. But in order to evaluate jobs we are working closely with outside organizations, and we try to get certain key jobs evaluated. We establish rates for certain jobs at various levels, which permits us to evaluate our rate structure.

Mr. BELL (*Carleton*): What outside organizations do you deal with?

Mr. CARTER: The Quebec Industrial Relations Institute is one of them, and there are some industrial firms in Canada who make very detailed studies, and they have made the information available to us. I do not believe I would be allowed to quote the names of those firms. One of them is one of the largest corporations in Canada.

Mr. BELL (*Carleton*): These have been industrial relations consultants, have they?

Mr. CARTER: Quebec Industrial Relations—yes, if you take industrial relations in the wide sense of the word.

The CHAIRMAN: Were they industrial consultants as well as industrial relations consultants?

Mr. CARTER: They are an association of Canadian industries working in the industrial relations area.

Mr. BELL (*Carleton*): Is that a regular process, or has it been done just on an individual occasion?

Mr. CARTER: We have been doing that regularly for five or six years, I believe.

Mr. BELL (*Carleton*): And to what jobs does that apply?

Mr. CARTER: Every job in the organization that we can match with jobs in industry. They cover a pretty wide field in the service that they make.

Mr. BELL (*Carleton*): What are such jobs?

Mr. CARTER: Administrative jobs—I think the whole gamut of that; which would include accounting, stenographers, typists, clerical jobs. Then we are able to get some information on technical jobs, operators—and they are not, possibly, operators in radio but they may be for power stations, and so forth. Then on the program side it is much more difficult to get comparative positions.

Mr. BELL (*Carleton*): Do you?

Mr. CARTER: No, not from that organization.

Mr. BELL (*Carleton*): From any other organization?

Mr. CARTER: We keep in touch with the universities, with other radio stations and also with the major American networks. But, in respect to the major American networks, we have to apply a differential because of the economic conditions in Canada and in the United States.

Mr. BELL (*Carleton*): In connection with vacancies has consideration been given to the fact that the possibility of advertising only within the corporation in the first instance, might lead to a degree of inbreeding?

Mr. CARTER: Yes.

Mr. BELL (*Carleton*): And what is your conclusion?

Mr. CARTER: I have indicated that we try to find out if there is a man within the organization able to do the job. Because we have advertised and have received applications does not mean the job will be given to an employee of the corporation. If it is felt he is not qualified for the job, we seek elsewhere. We might hold our decision until we advertise outside.

Mr. BELL (*Carleton*): Do any problems of nepotism arise by reason of that fact?

Mr. CARTER: Not particularly.

Mr. PICKERSGILL: Has the C.B.C. ever been offered any assistance by members of parliament in recruiting staff?

Mr. CARTER: We get those occasionally, sir.

Mr. JOHNSON: Since when?

Mr. CARTER: I was not in charge of personnel until recently, but I can say it has been going on for a while.

Mr. JOHNSON: Were any recommendations made since 1953 by anyone from Montreal on this subject?

Mr. CARTER: We have received recommendations from members of parliament at all times.

Mr. JOHNSON: Since 1950?

Mr. CARTER: I believe since 1936.

The CHAIRMAN: I think that will conclude that type of questioning. Mr. Johnson, have you any further questions in connection with the recruiting policy?

Mr. JOHNSON: Yes, Mr. Chairman. What is the method used in hiring script assistants—and I am not asking for their addresses, Mr. Carter—take, for example, in Montreal?

Mr. CARTER: As I mentioned, we have a job evaluation system where we outline the functions, responsibilities, duties, qualifications and experience required for all jobs in the bargaining units. Now, the process for hiring script assistants is the same as for any other job in those bargaining units; we try to find a candidate who meets the requirements of the job.

Mr. JOHNSON: When you say "we", I understand you do not do this from Ottawa. Who is in charge at Montreal? Is this the responsibility of the chief of personnel in Montreal?

Mr. CARTER: The man in charge of personnel in Montreal is responsible for going over any decision that is made regarding the hiring of staff. Now, the recommendation may be made by the person in charge of the script assistants. The personnel office may submit some applications when there are vacancies. These will be screened by the person in charge. The candidates will be interviewed and a selection is made of the person who is thought best qualified to fill the job. Accordingly, a recommendation is made to the director of the region; it is further screened, and is given final approval, if accepted.

Mr. JOHNSON: Now, is this done through written competition?

Mr. CARTER: Part of the interview would consist of a written test because a script assistant is performing secretarial duties as part of her work.

Mr. JOHNSON: Does any producer attend the interviews?

Mr. CARTER: It is possible that the producer might be consulted because a script assistant would eventually be assigned to work with a producer.

Mr. JOHNSON: I am thinking of an example where a certain producer or a certain director might need a script assistant; is he invited by the chief of personnel to assist or to attend, when there is an interview?

Mr. CARTER: I said he might be consulted in the selection.

Mr. JOHNSON: There is no laid down policy by the regional director?

Mr. CARTER: We have a number of script assistants and it may very well be that one of the script assistants presently on staff would be assigned, when the producer needs her services.

Mr. JOHNSON: Now, for secretaries to producers: is there a special way of hiring them, or are they hired like any other secretaries?

Mr. CARTER: I am sorry but I did not quite hear your question.

Mr. JOHNSON: There is a secretary to each producer.

Mr. CARTER: There is not a secretary to each producer. A producer has a script assistant working with him, who performs incidental secretarial duties for him.

Mr. JOHNSON: But, actually, there are secretaries to certain producers?

Mr. CARTER: Some of the supervising producers would have secretaries, but I do not believe that producers who hold the rank and do the job of producers have.

Mr. JOHNSON: Are these secretaries hired through competition or by the producer himself?

Mr. CARTER: No, no one is hired solely by the producer; the personnel department comes in.

Mr. PRATT: Mr. Chairman, I have a question on the training of personnel, which would be an acceptable question at this time. I recall as late as 1954 working with a producer who was unaware that there was more than one lens on a camera. Have any steps been taken to correct a situation such as that, in the training of technical personnel?

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. JOHNSON: I have a further question in connection with producers; how are the producers recruited?

Mr. CARTER: The producers are recruited in the same manner but the selection would be made by the program director and the director of television, who would recommend hiring them.

Mr. JOHNSON: Then, are the supervisors hired through competition or through promotion?

Mr. CARTER: By promotion. I believe there are very few from the outside. They could be hired from the outside, but in most cases it would be by promotion.

Mr. JOHNSON: Does this apply to radio as well as television?

Mr. CARTER: We have no supervising producers in radio.

Mr. JOHNSON: But, producers; you have producers?

Mr. CARTER: Yes, we do.

Mr. JOHNSON: Do you have independent or free lance producers in radio?

Mr. CARTER: On some occasions, when we had commercial radio, there were free lance producers coming in to produce commercial shows but, today, I believe there are very few, if any. Mr. Gilmore, would you like to elaborate on that?

Mr. GILMORE: Mr. Chairman, I was just trying to think of an instance. We had in Canada, for a very short term, on specific contracts, some outside producers, but not to any degree since the decline of commercial radio.

Mr. JOHNSON: Is seniority considered an attribute in a directorial function or executive function?

Mr. CARTER: All other things being equal, it would be considered, but it is not the prime consideration.

Mr. JOHNSON: Is there a difference between recruiting radio producers and television producers?

Mr. CARTER: You require a different set of qualifications.

The CHAIRMAN: But the method of recruiting is the same?

Mr. CARTER: The method of recruiting?

The CHAIRMAN: Would be the same?

Mr. CARTER: You would not look for the same qualifications in the person. You would ask more of a television producer.

Mr. JOHNSON: Was it not contended that there was a difference?

Mr. PRATT: I think lenses are rather important on a camera.

Mr. CARTER: I am sorry; I did not understand your question.

Mr. JOHNSON: I want to make sure that I get a direct answer to my question. Is there a difference, not in the qualifications, but the method of recruiting?

The CHAIRMAN: Yes, of radio and television producers?

Mr. CARTER: The method would be relatively the same. The man responsible for the work of the producer would be called upon to evaluate the candidate and, with the personnel office, would make the recommendation for his appointment.

Mr. JOHNSON: Anyone could go and ask for a job as a producer for radio and television and his case would be examined by the supervisor in charge of the particular section for which he is supposed to work?

Mr. CARTER: A preliminary screening of all applicants would be made by the personnel department and, if it is felt a candidate offers potential for a job, he would be referred to the supervisor concerned, if there is immediate need and, if not, possibly his application would be placed in a pending file and, when there is a vacancy, his case would be brought forward.

Mr. JOHNSON: Is there some kind of handbook or written instructions in the general headquarters in Ottawa or Montreal for the hiring of radio or television producers?

Mr. CARTER: There is no handbook as such, but we have the job descriptions, and these are available at all locations.

Mr. PRATT: What are the qualifications specifically required for a television producer?

The CHAIRMAN: I doubt if Mr. Carter would know that offhand.

Mr. CARTER: Perhaps Mr. Jennings could answer that.

The CHAIRMAN: Mr. McGrath is next, and then Mr. Fisher.

Mr. MCGRATH: Is there any policy of the corporation with respect to rotation of staff?

Mr. CARTER: Are you moving to the next item?

Mr. MCGRATH: No, I am under the same item.

Mr. CARTER: As I indicated previously, we advertise vacancies. Junior positions, if I may use that term, are advertised locally and we receive applications from employees at the location; intermediate positions would be advertised regionally, and we would receive applications from candidates in the region; senior jobs would be advertised nationally, and in that I would include producers and supervisory jobs of all kinds. Now, candidates may apply from the various locations, and it has been our experience in the past year that 59 employees were moved or transferred from one location to another.

Mr. MCGRATH: In 1958, 1959?

Mr. CARTER: Yes.

The CHAIRMAN: Mr. McGrath, may I suggest we hold that until we move to (c), because we are still on recruiting policy. Mr. Fisher, you are next.

Mr. JOHNSON: Mr. Chairman, I have another question.

Mr. MCGRATH: I can finish it off with one further question, and get at the point of it. I think it is generally associated with this item which is being dealt with.

The CHAIRMAN: Is it not associated with "promotional"?

Mr. MCGRATH: Not necessarily. It refers to the practice in large corporations of a national character to broaden the scope of the employees by changing them around from time to time so that they learn all aspects of the operations; in other words, changing employees or staff announcers and sending them from one region to another or from one city to another. Have you any laid down policy in that respect?

Mr. CARTER: There is no laid down policy, but in practice this is done.

Mr. FISHER: I just wanted to know some particulars in connection with the relationship of recruiting in respect of Ryerson, and this course it has to produce various types of technicians; have you any formal relationship with that school?

Mr. CARTER: We have hired many graduates from the Ryerson Institute.

Mr. FISHER: Are there any other schools in Canada which are doing a comparable work?

Mr. CARTER: Yes, in Montreal there is a school, but I do not remember the name of it.

Mr. GILMORE: There is the one in Montreal and there is also the radio college of Canada from which we have done considerable recruiting, from the technical side.

Mr. CARTER: The one in Montreal is the Institut d'Electronique.

Mr. FISHER: Have you ever at any time subsidized or helped those organizations out in training, technical equipment or anything like that?

Mr. CARTER: We have allowed some of our staff to help in the instruction, especially at the beginning of the activities, at the Ryerson Institute.

Mr. JOHNSON: I have a question in connection with samples of individual contracts. I would like to know if supervisors have a contract with the C.B.C.

Mr. CARTER: Some supervising producers are hired on contract as they were previously hired as producers, and they have continued. But I believe they are doing away with that gradually and bringing the supervising producers on staff.

Mr. LAMBERT: I want to direct a question in connection with announcers and, particularly, your staff announcers; is there any encouragement for these people to become bilingual? Is there any active encouragement given by management?

Mr. CARTER: Well, first of all, for an announcer to be able to work on the microphone in both languages he has to be very good, and there are very few people who can announce equally well in both languages. Perhaps Mr. Jennings may wish to add something to that. Our experience has been that we can count on our fingers the number of good bilingual announcers who are equally at ease in both languages.

Mr. PRATT: Mr. Chairman, has an answer been found to my request for information in connection with the qualification requirements for a television producer?

The CHAIRMAN: Someone was looking up the job specification sheet.

Mr. CARTER: We have not a complete job specification here, sir.

The CHAIRMAN: That is fine; we will get it tomorrow. We will now proceed to "promotional policy". I feel that this has pretty well been answered. Mr. Chambers, have you a question?

Mr. CHAMBERS: In preparing people for promotion and so on within the corporation, do you make use of such things as the University of Western Ontario business administration course, and so on?

Mr. CARTER: We encourage our employees to participate in study courses and, as you said, the University of Western Ontario is one of them. There is also A.M.A. seminars and the Banff school, workshops.

The CHAIRMAN: Do you pay their tuition when they are there?

Mr. CARTER: When it is a seminar, workshop, or a conference, we do.

The CHAIRMAN: Do you pay their salaries when they are there?

Mr. CARTER: Yes.

Mr. CHAMBERS: You pay their salaries when they go to the University of Western Ontario, but not the tuition?

Mr. CARTER: For the University of Western Ontario we would pay because it is a six-week course.

Mr. CHAMBERS: How many people attend there from the C.B.C. during the course of a year?

Mr. CARTER: We have had a couple every year attending Banff and the University of Western Ontario.

The CHAIRMAN: There are about 150 attend each year; however, they are not all from the C.B.C.

Mr. BELL (Carleton): Where is it located?

The CHAIRMAN: In London, Ontario. Do you gentlemen wish to raise any further points in connection with (c)—promotional policy? (d)—possible limitation of personnel growth, is next.

Mr. CARTER: Mr. Chairman, I would like to make a short statement.

The CHAIRMAN: Proceed.

Mr. CARTER: The personnel growth is geared to and limited by the amount of production activity at any time, although there are occasions when production activities outrun the servicing functions and the lag has to be caught up. I am referring to accounting personnel and so forth.

At the outset, before the end of fiscal year, we prepare operational plans and budgetary estimates for each department. These plans are reviewed through the line of authority. The budgets are approved finally by management at the beginning of each period; annually for radio and integrated services and quarterly for the television service.

The operational plans take into account the increase and reduction in activities in each department and outline the need for additional staff, where required. Consideration is also given to the movement of staff from one department to another, according to variation in departmental load.

The budgets contain listings of additional positions required and, as a further check, the creation of each new job is reconsidered and approved as the need arises. Then, when these jobs have been approved, staff is recruited to meet the need.

Mr. CHAMBERS: Who is responsible for the approval?

Mr. CARTER: The approval of the job?

Mr. CHAMBERS: In other words, the head of a department says that he needs three more people, and then you say this is reviewed; who is responsible for this reviewing and approval?

Mr. CARTER: Operations will review the operating plans before budgets are approved and, through comparison with other operating units, they will try and assess the need, if it is a question of volume. If it is a question of organization, then Mr. Keddy, the director of organization, or I, will be brought in for discussion, and the budget is approved. Now, when a job is to be established, a recommendation is initiated by the department head. It is examined by the director of the area. If it is in television, it is examined by the director of television and if it is radio, it is examined by the director of radio or, in the case of a servicing department, the head of it. Then it will go to the regional director's office, and from there to personnel in Ottawa who will, as a further check, consult the functional head in Ottawa before submitting it for executive approval.

Mr. CHAMBERS: I want to get at this approval; who is that?

Mr. CARTER: The executive finally approves any new positions; it is the president or his delegate.

Mr. CHAMBERS: All new positions are approved by the president or general manager.

Mr. CARTER: Or his delegate.

Mr. CHAMBERS: Does he delegate that authority in normal times?

Mr. CARTER: Yes, Colonel Landry had that authority until a month ago and it has been passed on to me.

The CHAIRMAN: Mr. Muir, have you a question?

Mr. MUIR (*Lisgar*): Yes, Mr. Chairman. How many new employees in all services did you take on in 1958?

Mr. CARTER: That takes a lot into account; it takes into account the separations and new employees. We would have to review the staff changes.

Mr. PICKERSGILL: Could you give the net figure?

Mr. CARTER: The net figure in the number of employees, yes; it is in the statement which was passed on to you. At the end of March, 1959, we had 7,051 employees; the previous year it was 6,433, so the difference is 618.

Mr. MUIR (*Lisgar*): Do you think that this build-up will have to continue?

Mr. CHAMBERS: It is about 10 per cent.

Mr. CARTER: Not at the same rate; there is a levelling off.

Mr. FISHER: I would like to ask Mr. Jennings a question. If you do get into educational broadcasting—

An hon. MEMBER: Or telecasting.

Mr. FISHER: Yes; telecasting, which has been experimental so far, will there be a marked expansion in personnel?

Mr. JENNINGS: A marked expansion in personnel?

Mr. FISHER: Yes?

Mr. JENNINGS: I would think there would be, especially in the area of planning. As to the actual production group I would doubt it very much. In the planning of programs, however, which is pretty involved and lengthy I feel that in carrying on through the national advisory council on school broadcasting there would be some expansion.

Mr. FISHER: Has the national advisory council on school broadcasting given any indications it may perhaps be able to provide, and pay for, personnel in this particular field.

Mr. JENNINGS: We will ask them, and have in the experimental series which is carried on, to assume certain financial obligations and certain planning obligations. They have undertaken that. Not the national council as such, but rather the various departments involved in the experiments.

Mr. FISHER: What I am interested in is the prospects of more real educational telecasting and whether or not it can be done with some of the responsibility in so far as providing personnel is concerned falling upon the departments. Is there any indication this would happen?

Mr. JENNINGS: This would depend very much on how it develops. If we should get involved in the school or educational broadcasting in television in the same volume we are now in respect of radio broadcasting—and there is no indication of that in the near future—I think we would have to have additional personnel to deal with it.

Mr. FISHER: You have emphasized "if". In the communications I have had from the representatives of the teachers, it seems they have assumed there is not any "if" about it; you are going to move.

Mr. JENNINGS: I, myself, think we are going to move but I do not think there is any unanimous recognition of the fact that we will move. I think—and I said this earlier—that there is really no assurance as to the actual value of school television, although we are all convinced there is a value. Through experiment, we have not figured out just what methods or techniques will be most effective.

Mr. FISHER: Remember your mandate.

Mr. JENNINGS: I am sorry I used that word.

Miss AITKEN: Coming back to Mr. Muir's question, could Mr. Carter explain why the staff increased 10 per cent in the last year?

Mr. CARTER: As I explained to the committee, we had to take into account the changes in the various programs and the work-load. That has accounted

for part of the increase. Also, as I indicated before, there is always a certain lag in the service departments. This has, to a point, caught up in the past year. Mr. Gilmore may wish to add something.

Mr. GILMORE: We added one half-hour of production on the English network starting last October in line with the development which I reviewed this morning. That was the main reason for the increase of operating personnel.

Mr. LAMBERT: Is there any indication as to how much of that increase was purely administrative as against, shall we say, the technical and production side?

Mr. CARTER: We would have to make a comparison. I do not have the information offhand. We could try to get that for you for tomorrow.

Mr. JOHNSON (*Interpretation*): Mr. Chairman, this question is addressed to Mr. Carter and concerns the methods of staff requirement. In these methods have there been any methods fixed—and at this point I would like to say I am coming back to my question of a little while ago because it comes better under this heading. Has there been any analysis of the tasks of the producers and supervisors? Has there been an analysis of the tasks carried out by these persons?

Mr. CARTER: Yes; there are. I have already filed with the committee a statement in respect of the administrative responsibility for programs. The role of the producer and supervisor is outlined in the note accompanying that.

Mr. JOHNSON (*Interpretation*): Mr. Chairman, again this is addressed to Mr. Carter. Has there been drawn up a brief or have directives been drawn up as to the qualification, experience and talent of these producers and supervisors? What are the standards required.

Mr. CARTER: As far as the supervising producers are concerned, the job specification has been written outlining the job function, the responsibility and so forth. For the producer, the job function is written but we have not prepared the job specification. There is no formal specification which exists.

Mr. JOHNSON: When was this written?

Mr. CARTER: For the supervising producer I would imagine about three years ago when the job was set up.

Mr. CHAMBERS: My question has been partly answered. In Mr. Carter's opening statement he said requirements were related to increases in production.

Mr. CARTER: In work-loads.

Mr. CHAMBERS: Is the work-load not directly apportioned to the increase in production?

Mr. CARTER: Yes.

Mr. CHAMBERS: The average mentioned by Mr. Gilmore is not 10 per cent. You have an increase of almost 10 per cent.

Mr. CARTER: I indicated that the changes in programming would require additional staff. Also I referred to the lag in the service department which has been caught up in the past year.

Mr. CHAMBERS: Could you tell us what was your increase for the previous year?

The CHAIRMAN: 618 one year and 494 the year before.

Are there any further questions? Then we will go to (e) safeguards against recruitment exclusively on certain type of employee. I think that was answered.

Mr. TAYLOR: Has there ever been any efficiency expert, independent and from outside the corporation, who has come in to look over the staff situation of the C.B.C.

The CHAIRMAN: Mr. Bell asked that question about half an hour ago.

Mr. TAYLOR: What was the answer.

The CHAIRMAN: In the interest of saving time, you will find it in the record. He stated there has been.

Mr. TAYLOR: If there has been any expert called in, could we have the name of the company the expert came from.

The CHAIRMAN: Again, the witness gave us the name of the organization. Naturally, we do not get into individual names.

Mr. TAYLOR: Has there been an independent appraiser or efficiency expert look over the staff problems of the C.B.C.?

Mr. CARTER: Mr. Bell inquired about the rates of pay and I replied to that effect. In respect of Mr. Taylor's question, about two years ago, or two and a half years ago, we had a complete review made of our accounting operations and the accounting set up by the firm of P. S. Ross and Sons, which was previously referred to.

Mr. TAYLOR: I am not interested at the moment in accounting. This is in respect of looking over the numbers of staff you have. Has any efficiency expert come in to deal with staff problems only, not accounting problems? As I understand it you have three live microphones carrying the dominion network and the trans-Canada network and that behind those three live microphones are 7,000 employees.

The question is has anyone been called in to look over that whole situation?

Mr. CARTER: The corporation itself did not call in anyone to make a complete review, but the Fowler royal commission had consultants working for them within the corporation for a period of a year and a half. Their conclusions were given in the Fowler commission report.

Mr. TAYLOR: I take it from that answer that no outside appraiser or expert has ever been called in to deal with staff problems only?

Mr. CARTER: Not with staff problems only; but the whole accounting department was reviewed by the firm of P. S. Ross and they went into the personnel division in the course of their study—the commercial, purchasing and stores at the same time. That was done about two years ago.

Mr. TAYLOR: They were mainly dealing with auditing?

Mr. CARTER: No, sir; with the operation of those departments.

Mr. PRATT: I was wondering if Mr. Taylor's questions referred to the technical operations staff and, if so, where would one get the technically trained personnel in such a young medium as television at this time in this country.

Mr. CARTER: In this country I believe we have the people who know most about it.

Mr. PICKERSGILL: I wonder if Mr. Taylor has an independent appraiser he could recommend?

Mr. TAYLOR: I have.

Mr. JOHNSON (*Interpretation*): I am putting the following question to Mr. Carter. Is there a C.B.C. policy which forbids the practice of employing relatives and, if so, what are the general rules?

Mr. CARTER: Mr. Chairman, I would like to read an internal memorandum dated October 30, 1957, which gives the policy in respect of the employment of relatives.

The corporation policy with respect to the employment of relatives forbids employment of applicants if a relative, already on staff, exercises or is likely to exercise supervision in line of authority.

To clarify this policy please note the following conditions:

(1) The spouse of an employee shall not be hired, but if marriage takes place between employees of the corporation, they may both be retained subject to the conditions as laid down herein.

(2) Relatives may be hired or husband and wife may be retained

(a) in the same department if at separate locations,

(b) at the same location if in different departments or divisions.

No transfers or promotions may be made that will alter this condition, and relatives when employed must realize that their progress in the corporation may be limited or hampered by virtue of the limitations set out above.

Mr. PRATT: There are a great many cases in which work is subcontracted out, I believe. There may be cases in which there are married persons working in the two organizations. Have any steps been taken to correct that type of, shall we call it, nepotism?

Mr. CARTER: I do not believe it is the corporation's duty to tell someone subcontracting whom they can hire. These arrangements for subcontracting are made under the best possible conditions. Quotations are asked in most instances, and once we have a quotation the work goes on. If a relative of a person in the employ of the corporation happens to be working there, I do not think we can do very much about it.

Mr. PRATT: Except keep an eye on them, I presume?

Mr. CARTER:

In addition to the foregoing, recommendations affecting the employment of relatives, even though meeting the above requirements, should be referred to the director for the province for his approval. This may be indicated on either the request re personnel or form 396.

This does not alter the existing responsibility and authority of the director for the province to decline any application which he deems not in the best interest of the corporation.

Mr. JOHNSON (*Interpretation*): Does this only apply to permanent employees in the management section or does it apply to the staff in general, all categories of people working in the Canadian Broadcasting Corporation?

Mr. CARTER: This applies to all staff employed by the corporation whether it be regular, temporary or other.

Mr. JOHNSON (*Interpretation*): Does this apply in the case, for instance, of performers who might be related to somebody in management, executive or clerical personnel?

Mr. CARTER: This regulation applies to the hiring of staff. Artists and performers are not considered as staff. They are hired on a per occasion basis.

Mr. JOHNSON (*Interpretation*): Do they see to it that in the case of a performer who discusses employment conditions or conditions of a contract with the management that the person related to that performer does not form a part of the negotiating group of the C.B.C.? I am putting this question in this manner because I cannot enter into personalities or refer to any particular program.

Mr. CARTER: If a case of this type came up, I would expect the supervising producer supervising that area of activity and the director concerned would certainly pay particular attention to this case.

Mr. JOHNSON (*Interpretation*): Well then, in other words, would you take it as being quite improper for a member of management to discuss with a performer contract conditions, if there is a relationship between the person in management involved and one or more performers?

Mr. CARTER: If I were concerned, I would withdraw myself from any discussion. I believe in the case you have in mind this is what takes place.

Mr. JOHNSON: Now, does it happen if it is done, even if improper—

Mr. CARTER: Pardon me. What is improper? I think we should be very careful on that.

Mr. JOHNSON (*Interpretation*): If this happened and you had a supervisor, or member of the management, who did not withdraw, would disciplinary action be taken against him?

Mr. CARTER: If it were brought to our attention, certainly the matter would be looked into.

Mr. JOHNSON (*Interpretation*): For instance, the local director in Montreal—does he have the responsibility to report such an occurrence?

Mr. CARTER: I would think his responsibility would go beyond that. He would have to deal with such a case.

The CHAIRMAN: Are there any further questions on (e)?

Mr. FISHER: Carried.

Mr. LAMBERT: I am going back to (d). It goes into the question I have asked, and Mr. Carter indicated that he would look at the statistics. I have had an opportunity now of going into the staff statistics return.

While it has been indicated there has been some—shall we say—diminution over the past years in the effect of radio, I find there has been a tremendous increase in personnel under what is known as radio and integrated services.

I was wondering if an explanation could be given. I find that, for instance, in—I believe it was—1956, as against 1955, there seems to have been an increase of about 300 in clerical staff. I take into account there is the difficulty of interpreting statistics through that whole period under review because there was a change in the method of presenting the information.

Mr. CARTER: I would like to point out, Mr. Chairman, that as the title indicates, this is not strictly radio—it is radio and integrated services.

Integrated services are services that are commonly used by both radio and television; and that would include such things as—in the purely services area, the general services area: divisional services such as accounting, administrative services, engineering, personnel and legal, and so on.

Now in the programming services you would have: audience research, commercial, educational and public affairs, farm, news, outside broadcasts, station relations; integrated operating services, such as announcers, casting bureau, music library, record library, reference library and script bureau.

All these services would look after both media—that of radio and television—and as television coverage increases the demand on those services would increase. Therefore, you would have, necessarily, a substantial increase in that area.

Mr. LAMBERT: Except that under television you do indicate a whole section for engineering.

Mr. CARTER: That would be more properly labelled “technical operations”, as against strictly engineering, which you have as a regional service.

Mr. MUIR (*Lisgar*): Just to clear that up: you do not see any danger of the C.B.C. operating under what is called Parkinson's law?

Mr. CARTER: We are constantly on the lookout to avoid that.

The CHAIRMAN: May we move, Miss Aitken and gentlemen, on to "F", review of trade union contracts and possibility of "feather-bedding"? Any questions? No question; thank you.

Mr. CHAMBERS: Stop thinking of that deadline, Mr. Chairman!

The CHAIRMAN: You have a question?

Mr. CHAMBERS: As we have brought Mr. McKee all the way here we should ask something.

The CHAIRMAN: What is your question?

Mr. CHAMBERS: How many separate trade union contracts has the C.B.C.?

Mr. CARTER: Am I permitted to answer?

The CHAIRMAN: Yes.

Mr. CARTER: If we talk about contracts covering staff relations we have nine, with seven unions. Some unions have two contracts covering different bargaining units.

Mr. CHAMBERS: This question was asked in the same form before; but, none of these contracts is a closed shop?

Mr. CARTER: No, sir.

Mr. CHAMBERS: They all follow more or less the Rand formula?

Mr. CARTER: There is a modified form of the Rand formula in each of them, I believe.

Mr. CHAMBERS: There is a question here on feather-bedding; and you have to have different personnel to do very similar things. Do you feel the corporation is put to extra expense by any of the provisions of these contracts—unnecessary expense, I mean?

Mr. CARTER: "Feather-bedding" is normally used to describe the attempt by a union to require an employer to pay unneeded workmen, to pay for unnecessary or duplicating jobs, or to limit the amount of work done in a day.

As such, we have no "feather-bedding", but we have jurisdictional problems which arise because of the fact we have many unions to deal with. But the jurisdiction of those unions has been defined by the Canada labour relations board. However, there are some areas which at times create some problems, and place certain restrictions on the corporation's ability to engage in the assignment of multiple functions—that is, to have one employee engaging in work in several different job functions, as may be done on certain non-unionized private stations.

The corporation, however, is no different from any other large employer with a multi-plant, multi-union organization.

We have certain restrictions on the performance of job functions; and an example of that would be the performance of a job within one union's jurisdiction or area. This problem has been resolved in Montreal by a finding, and a binding ruling of the arbitration board. In late 1955 the Montreal TV operation decided in the light of experience and operational practice that the job of propsman (set)—responsibility for placing desks, chairs, tables and other small properties, on the set—could be combined with that of stagehand—the responsibility for the erection of the set, and so on.

After an experimental period of approximately six months, the new method of operation went into effect in June, 1956. After 16 months of operation the union grieved to have the two separate job functions, which it should be noted were at the same rate of pay, re-established in Montreal.

After many delays in the grievance procedure a minor wildcat strike in Montreal and so on, an arbitration board has recently ruled that the corporation cannot continue the practice of one man performing the related duties of both stagehand and propsman.

We are discussing with the union the implication of this arbitration board award; and that may involve quite a few more employees.

Mr. CHAMBERS: Regarding what you have said there, statements have been made that the grievance procedure under their contract is very lengthy, to get a decision in any serious matter. Do you agree with this comment?

Mr. CARTER: That is a general statement. I would like to know what is meant particularly.

Our grievance procedure has been set out. When we reached an agreement with the union they put in safeguards on their side, and the corporation put in safeguards on its side; and, therefore, we both have to live with it.

Mr. CHAMBERS: From the beginning of a grievance, if it goes right through your procedure to its final disposition, does it take longer or a shorter time than the average in industry?

Mr. CARTER: May I ask Mr. McKee, manager of industrial relations to reply to that?

The CHAIRMAN: By all means.

Mr. C. B. McKEE (*Manager of Industrial Relations, Canadian Broadcasting Corporation*): No, I would say our grievance procedure is as good as, if not better than, the average in industry.

As a matter of fact, after our grievance procedure was first implemented, one of the unions took our grievance procedure south of the border as a good illustration of a grievance procedure. There are certain examples of delay in going through the mechanism of the procedure, and the unions have the right, under the grievance procedure, to lay their grievance immediately at national level, if they are concerned with any problem whatever; and it can be done on the double.

Mr. CHAMBERS: Do they go right over the local level?

Mr. McKEE: Yes. And the national union representative will be in Ottawa, and he may receive a phone call from a local; and if the problem is one which he considers to be sufficiently important he will deal with it right there and then.

Mr. CHAMBERS: Have you any comparison you can make of the number of grievances of personnel registered through your machinery, as compared to the industrial average?

Mr. McKEE: No, I am afraid we have not a comparison. It would be a very hard comparison to make because in a comparable type of organization, in size, with a multi-union set-up, it has normally been of long-standing.

We have had, possibly, more grievances in recent years because the unions have just come in in the past six years, compared with the railways', possibly, 50 or 60 years. They have only just come into our organization; and, in addition, we have only just started television, which means that it has brought in new people in many new fields of the organization.

Mr. CHAMBERS: Your grievance procedure will set precedents which will obviate the necessity of using the grievance procedure in the future?

Mr. McKEE: Yes, we hope so.

Mr. CHAMBERS: You will be able to cut down on the percentage of them, do you mean, then?

Mr. McKEE: We hope so.

Mr. FISHER: I was going to ask if you had considered offering Mr. Chambers any sort of position as a negotiator. I know Mr. Pickersgill would like a by-election.

The CHAIRMAN: As an apprentice, it has been suggested.
May we move on to commercial organization, section 3?
Agreed.

The CHAIRMAN: Section 3, who shall we have, Mr. Henderson?

Mr. HENDERSEN: Mr. Johnston.

The CHAIRMAN: Mr. Johnston. This is commercial organization, section 3(a), number and location of sales personnel. We have a chart on that.

Any questions, Miss Aitken and gentlemen, on the number and location of sales personnel?

Mr. McGRATH: That was covered this morning.

The CHAIRMAN: No further questions? Section 3(b), qualification and experience of sales personnel.

Mr. BELL (*Carleton*): We have not found the return yet.

The CHAIRMAN: Qualification and experience of sales personnel.

Mr. JOHNSTON: I have a short statement I might make, Mr. Chairman.

The CHAIRMAN: May we have your statement?

Mr. JOHNSTON: I would say this, Mr. Chairman, that the C.B.C. has recruited its sales staff from a variety of sources. In a number of cases men have advanced to sales positions from within the corporation—men who have had training, often over a period of years, in one or more areas of broadcasting—for example, in administration, accounting, engineering, announcing, personnel matters and the general area of programming.

Radio and television are very complex media—particularly television—and we usually find that the greater a man's knowledge of broadcasting generally, the more successful he is likely to be in the field of radio sales, provided, of course, that he has a good personality, meets people well and is really sales-minded.

On the other hand, some of our sales staff have come to us from outside the C.B.C.—men who have had good sales experience, perhaps with manufacturing firms of one kind or another and, in some instances, people from private broadcasting stations who have had a good general background in broadcasting and sales experience in that field.

The CHAIRMAN: That is true of any organization. Mr. Bell, did you have a question on this?

Mr. BELL (*Carleton*): I gather that most of the recruitment is from within the C.B.C. itself?

Mr. JOHNSTON: To a large degree, this is so.

Mr. BELL (*Carleton*): You do not subscribe to the view that salesmen are born and not made?

Mr. JOHNSTON: To a point they are; but if you have personnel in your organization who may have good sales potential, the background they develop within the corporation, in one or other of the areas, is very helpful indeed.

Mr. BELL (*Carleton*): Could you give me the experience of the two senior people in the commercial organization? I do not ask for their names, but the experience of the two most senior persons?

Mr. JOHNSTON: Here we have the difficulty in terms of television on the one hand, and of radio on the other.

I would comment here—let me take, for example, the man who is supervisor of our television sales. He came to the corporation originally, as I recall,

from private industry—and I am speaking now from memory. He came through our own organization—that is, his entry into it was through the accounting area, and then he transferred into personnel and administration, and got a very good background there. This threw him into contact with the whole area of broadcasting. From there he moved into the commercial or sales activity, and has come steadily forward, right from that time.

Mr. BELL (*Carleton*): And the second in command?

Mr. JOHNSTON: On the radio side—what I might call his opposite number—by a coincidence, and it is just a coincidence, his entry into the corporation many years ago was into the area of accounting; and he, too, moved, as I recall it, directly, at a later date, into the commercial organization; and he, too, has come steadily forward from that time.

Mr. PRATT: In the—

The CHAIRMAN: Just a moment, Mr. Pratt.

Mr. PRATT: In the United States television the sales—

The CHAIRMAN: Mr. McGrath?

Mr. McGRATH: This is a supplementary question. I would like to know the title of the two men in question.

Mr. JOHNSTON: The title of the first one is supervisor of television network sales for the English networks; and the other one, his title today—until recently he was supervisor of radio networks sales, but the title has been changed, and he is now the assistant director of radio networks (sales).

The CHAIRMAN: Mr. Pratt?

Mr. PRATT: In the United States television the sales group is a group that drives the most Cadillacs. I was wondering what the position was with regard to the Canadian salesmen.

Mr. JOHNSTON: I think it has already been stated that our sales personnel are on salary.

The CHAIRMAN: And it was stated also previously by Mr. Johnston—and also by Mr. Bushnell—some consideration would be given to an incentive plan.

Mr. PRATT: In the future?

Mr. JOHNSTON: Yes, this is something we have had under study.

The CHAIRMAN: I might make this one observation: I have been in the sales business all my life, and I would never look to an accountant to become a salesman because you can divide the world into buyers and sellers,—and they are certainly buyers.

Mr. CHAMBERS: I wonder if this information might not be available, but could you tell us how many national accounts you are currently dealing with?

Mr. JOHNSTON: I would have to look in the folder and do a quick addition. If I were to take a figure right out of the air concerning the English and French operations in radio and television, I think it would run to 40 or 50—perhaps higher.

Mr. CHAMBERS: It would be 40 or 50 national accounts?

Mr. JOHNSTON: That is my immediate, off-the-top-of-my-head figure. I could check that and let you know specifically.

Mr. CHAMBERS: You do not do a great deal of business with local accounts, not much?

Mr. JOHNSTON: We have not up until recently. We are doing a little bit more now. The pattern will change, of course, in different areas.

On the radio side, if you get to such places as Corner Brook, Grand Falls, Gander, in Newfoundland—we do have quite a good deal of business from local accounts. The same is true in Prince Rupert, British Columbia, where there is no other radio facility at all.

Mr. CHAMBERS: You have listed the difference between Montreal and Toronto—173 people working on the commercial staff. How many of those would be employed on national accounts and how many on local accounts?

Mr. JOHNSTON: Probably I could answer that best, Mr. Chambers, if I were to explain these figures and the returns you have before you, they are our total commercial staff and not the specific people on active sales.

Mr. CHAMBERS: This would include stenographers?

Mr. JOHNSTON: Yes, everybody on the clerical level. At Toronto, for instance, we have three people in what I would call sales supervising activity, and 13 actually on sales.

Mr. CHAMBERS: So, in Toronto, you have 16 people concerned with sales?

Mr. JOHNSTON: The balance is made up of sales clerical groups, because there is a great deal of clerical activity that has to be tied right in with sales,—our billing people—what we call sales services, because the actual servicing of this business—the network on the one hand, and local on the other—is an enormous job and has to go on day after day, seven days a week, and we have, at Toronto, a large commercial acceptance operation which screens the commercials that are included in our programs, and everything to do with our general acceptance.

Mr. CHAMBERS: It is a staff of 16. I have worked in the sales organization, and the rough proportion is 3 to 2—three sales personnel for two salesmen.

Mr. JOHNSTON: Let me make this point, if I may. This is, perhaps, not as simple as it might at first appear. I am speaking now specifically of Toronto, because, comparing the total at Toronto, it is larger than the total at Montreal.

At Toronto, where we are dealing with our English network it involves relations with 31 basic stations, and something like 12, if my memory serves me, supplementary stations on the English network. This naturally affects our billing staff. We are also dealing with the programs from the American networks. We are dealing out of there with the networks themselves not with advertising agencies in the United States; it is only American networks. This whole thing builds up a supporting organization that is required for the active sales group itself. It is very sizeable.

Mr. CHAMBERS: Could you give us a breakdown in Montreal? You said 16 people are active in the sales division in Toronto. How many people are actively employed in Montreal?

Mr. JOHNSTON: At Montreal, two supervising and eleven on the direct sales front.

Mr. FISHER: I move we adjourn, Mr. Chairman.

The CHAIRMAN: Before we do adjourn, I think we can complete this full subject tomorrow morning, so we will reconvene at 9:30, if that is agreeable.

THE FOLLOWING IS THE TEXT OF THAT PART OF THE COMMITTEE'S
PROCEEDINGS CONDUCTED IN THE FRENCH LANGUAGE

ON TROUVERA CI-DESSOUS LE TEXTE DE LA PARTIE DES DÉLIBÉRATIONS DU
COMITÉ QUI S'EST DÉROULÉE EN FRANÇAIS

COMITÉ DE LA RADIODIFFUSION

(Page No. 753)

M. PAUL: Sur l'item F. 6...

* * *

(Page No. 765)

M. TREMBLAY: Monsieur le président, est-ce que vous n'avez pas reçu une lettre du journaliste Pierre Chaloult, du journal *Le Droit*, relativement aux questions qui ont été posées à son sujet par M. Johnson?

* * *

(Page No. 784)

M. JOHNSON: Cette question s'adresse à M. Carter et concerne les "qualifications" du personnel. Est-ce qu'il n'y a pas des méthodes, monsieur Carter, que l'on a fixées... Je reviens à ma question, parce que je considère qu'elle s'adresse mieux à cet item; est-ce qu'on a fait une analyse des fonctions des *producers*...

M. CARTER: Des réalisateurs...

M. JOHNSON: Des réalisateurs et "superviseurs". Est-ce qu'on a fait une analyse des fonctions de ces gens, de ces fonctions?

M. CARTER: Oui.

M. JOHNSON: Est-ce qu'on a rédigé une loi ou des directives quant aux "qualifications" ou à l'expérience et au talent de ces réalisateurs et de ces "superviseurs"? Quelles sont les normes exigées?

* * *

(Page No. 785)

M. JOHNSON: Monsieur Carter, est-ce qu'il existe une politique, à Radio-Canada, qui défend l'emploi de parents, et, si oui, quelles en sont les règles générales?

* * *

(Page No. 786)

M. JOHNSON: Maintenant, est-ce que ceci s'applique seulement pour les employés permanents de la direction ou du personnel en général ou est-ce que cela s'applique à toutes les classes de gens qui travaillent à Radio-Canada?

M. JOHNSON: Maintenant, est-ce que cela s'emploie pour le cas d'artistes qui seraient parents avec quelqu'un de la direction?

M. CARTER: Non.

M. JOHNSON: Ou du personnel exécutif ou clérical?

M. JOHNSON: Maintenant, est-ce qu'on voit dans le cas d'un artiste qui discute des conditions d'emploi, des conditions de contrats avec la direction, est-ce qu'on voit à ce que la personne apparentée à cet artiste ne fasse pas partie du groupe qui négocie avec la direction de Radio-Canada?

Vu que je ne veux pas établir de personnalité ni faire allusion à aucun groupe, je pose ma question de cette façon-là.

* * *

(Page No. 787)

M. JOHNSON: Vous considérez tout à fait contraire à l'étiquette le fait qu'un membre de la direction discute avec des artistes des conditions de contrats, s'il y a un lien de parenté entre ce membre de la direction et un ou plusieurs des artistes?

M. JOHNSON: Si cette chose se produit et qu'un "superviseur" ou un membre de la direction ne se retire pas, est-ce qu'on prend des mesures disciplinaires contre ces personnes?

M. JOHNSON: Est-ce que le directeur régional à Montréal, par exemple, aurait la responsabilité de vous signaler de tels cas?

* * *

APPENDIX "A"

CANADIAN BROADCASTING CORPORATION

ARCHITECTURAL STAFF

Architects.....	10	Includes the Chief Architect and Assistant. Duties involve new construction design and supervision, management planning, changes and additions to existing owned and leased buildings.
Engineers.....	3	One position temporarily vacant. Engineering work is in the design of complex ventilating and air-conditioning installations for radio and TV studios, offices and technical facilities areas, which is specialized and exacting, requiring a knowledge of broadcasting operations. This group also is responsible for the design of heating and plumbing installations and for sewage disposal facilities at rural operating locations.
Architectural draftsmen....	3	Prepare structural drawings for new construction and for modifications to existing buildings.
Electrical draftsmen.....	11	Prepare electrical facilities drawings for new construction and for alterations. Most of the time of this group is taken up in preparation of drawings for electronic equipment and installations.
Mechanical draftsmen.....	4	Prepare drawings required for ventilation, air-conditioning, heating, plumbing and other mechanical building components.
Construction Supervisors...	2	Stationed in Toronto. Act as CBC "on site" representatives.
Clerical.....	8	One position temporarily vacant.
	<hr/> 41	

Costs: Year ended March 31, 1958: \$265,426.00.

July 1959.

APPENDIX "B"

CANADIAN BROADCASTING CORPORATION

POLICY RE-CALLING PUBLIC TENDERS

Formal tenders are not invited by advertising in the public press for any work.

On new building construction, extensive modifications to existing buildings, and for large blacks of technical equipment, sealed tenders are invited from those who are considered qualified to perform the work covered by the specifications. If the work is not too complicated, quotations are requested. The number invited to tender is never less than three, if at all possible, and usually more. If a competent supplier or contractor specifically requests consideration, his name is added to the list.

The Engineering Division has been instructed by Management to use the best professional judgement in inviting tenders to perform the Corporation's work, exactly as would be done for a private corporation to get the best for the money expended.

July, 1959.

APPENDIX "C"

CANADIAN BROADCASTING CORPORATION

NEW CONSTRUCTION

(a) New Construction Planned

During the current fiscal year, the Corporation is planning, and has provided in its capital budget, for the following projects:

- (i) Improvement to the Northern Radio Service by means of the establishment of a new station at Inuvik and by preliminary engineering for a short-wave transmitter. In addition, facilities are being added to existing stations to improve performance.
- (ii) Establishment of a new radio transmitter of increased power at Halifax. Actual construction is likely to be delayed until 1960 although planning will proceed and a site is likely to be purchased during this year.
- (iii) Extension of radio and TV service to small communities by installation of relatively low power radio and TV transmitters. Trail, B.C., Kenora, Ont., Moncton, N.B. and Corner Brook, Nfld. are under construction. Corner Brook is on the air on a temporary basis and will be completed within a few months; the other locations mentioned are scheduled to be in operation before Christmas of this year. A new low power TV transmitter for St. Boniface is planned but has not yet received final approval.
- (iv) Installation of videotape equipment at Toronto and Montreal and probably at other CBC television centres in Vancouver, Winnipeg, Ottawa and Halifax.
- (v) Relocation in a new CBC building at a permanent site, the western TV network delay centre in Calgary.
- (vi) Minor modifications and additions to facilities at various locations across Canada. The Corporation is also providing in the 5 year plan to be submitted in accordance with the Broadcasting Act, several major projects which include construction of new consolidated operating centres for television and radio at Toronto, Montreal, Vancouver and for extensions to existing buildings for the same purpose at Ottawa, Winnipeg and Halifax. Planning also visualizes extension of both radio and TV service to additional small communities by means of new installations of low power TV and radio transmitter units.

- (b) Over the years the Corporation has received excellent co-operation from the various local administrations with which it has dealt; in return it is our policy to comply with the local building codes and by-laws.

July 1959.

APPENDIX "D"

CANADIAN BROADCASTING CORPORATION

NUMBER OF STAFF AND ANNUAL COSTS FOR 3 YEARS

	Fiscal Year Ending March 31	Salaries and Wages	Other Expenditures	Total	Number of Staff
NATIONAL					
Ottawa.....	1956	31	12	43	5
	1957	35	13	48	5
	1958	41	2	43	5
Toronto.....	1956	47	15	62	16
	1957	56	12	68	15
	1958	69	10	79	15
Montreal.....	1956	983	203	1,186	197
	1957	1,066	195	1,261	199
	1958	1,166	197	1,363	211
TOTAL.....	1956	1,061	230	1,291	218
	1957	1,157	220	1,377	219
	1958	1,276	209	1,485	231
REGIONAL					
St. John's Nfld.....	1956	11	3	14	2
	1957	11	3	14	2
	1958	12	2	14	2
Halifax.....	1956	14	4	18	2
	1957	22	7	29	4
	1958	23	2	25	4
Montreal.....	1956	35	7	42	5
	1957	39	4	43	6
	1958	33	6	39	5
Toronto.....	1956	36	17	53	6
	1957	34	15	49	6
	1958	36	11	47	5
Ottawa.....	1956	15	1	16	3
	1957	17	1	18	3
	1958	18	—	18	3
Winnipeg.....	1956	18	9	27	4
	1957	18	8	26	4
	1958	20	5	25	4
Vancouver.....	1956	12	9	21	3
	1957	15	6	21	3
	1958	18	1	19	3
TOTAL.....	1956	141	50	191	25
	1957	156	44	200	28
	1958	160	27	187	26

July, 1959

APPENDIX "E"

CANADIAN BROADCASTING CORPORATION

FUNCTIONS OF ENGINEERING DIVISION

The Engineering Division has a dual role in the Organization. It acts in a staff capacity to provide specialized engineering services to CBC Management, and to officers of other Division. It also has line status in the supervision of construction for new plant and facilities. More specifically, the following categories of work are involved:

- (a) Planning and designing of new transmitters and studio plant, including supervision and responsibility for construction pertaining to new buildings and the installation of technical facilities.
- (b) Research and development in respect to transmission problems, operating requirements, extensions to and improvement of National Service TV and Radio coverage.
- (c) Training of technical operating personnel; co-ordination of operating and maintenance practices; preparation and distribution of operating standards.
- (d) Co-ordination of purchasing and storing methods throughout the system.
- (e) Co-ordination of the operation of the TV and Radio networks and liaison with the communication companies including supervision of network contracts.
- (f) Planning and supervision of alterations to existing CBC owned buildings and leased premises, and of CBC technical facilities.
- (g) Costing of new construction and technical installation projects.
- (h) Preparation of Capital Project budgets both annual and long range in respect to construction and new facilities.
- (i) General supervision and co-ordination of the technical phase of major special features broadcasts such as Royal Tours and opening of the St. Lawrence Seaway.
- (j) CBC technical representation at National and International conferences on frequency allocations, short-wave broadcasts, etc.

July, 1959.

APPENDIX "F"

CANADIAN BROADCASTING CORPORATION

GROSS BILLING

RECORD OF COMMERCIAL PERFORMANCE

Television

Selective Business	1955-1956	1956-1957 in relation to 1955-56	1956-1957	1957-1958 in relation to 1956-57	1957-1958
	\$	\$	\$	\$	\$
Maritimes.....	149,571	+ 82,216	231,787	+ 120,123	351,910
Quebec.....	1,363,090	+ 441,519	1,804,609	+ 451,531	2,256,140
Ontario.....	1,193,959	+ 374,447	1,568,406	+ 345,602	1,914,008
Prairies.....	358,998	+ 158,709	517,707	+ 179,481	697,188
British Columbia.....	402,415	+ 216,891	619,306	+ 56,299	675,605
Total Selective.....	3,468,033	+1,273,782	4,741,815	+1,153,036	5,894,851

Network Business	1955-1956	1956-1957 in relation to 1955-56	1956-1957	1957-1958 in relation to 1956-57	1957-1958
	\$	\$	\$	\$	\$
English.....	10,381,326	+2,005,059	12,386,385	+2,488,840	14,875,225
French.....	2,280,767	+1,856,793	4,137,560	+1,473,117	5,610,677
Total Network.....	12,662,093	+3,861,852	16,523,945	+3,961,957	20,485,902

Total Selective and Network.....	16,130,126	+5,135,634	21,265,760	+5,114,993	26,380,753
-------------------------------------	------------	------------	------------	------------	------------

APPENDIX "G"

CANADIAN BROADCASTING CORPORATION

GROSS BILLING

RECORD OF COMMERCIAL PERFORMANCE

Radio

Selective Business	1955-1956	1956-1957		1957-1958		
		in relation to 1955-56	1956-1957	in relation to 1956-57	1957-1958	
	\$	\$	\$	\$	\$	
Newfoundland.....	79,656	—	10,137	+	12,324	81,843
Maritimes.....	6,222	—	1,340	+	3,705	10,587
Quebec.....	295,592	—	63,332	—	86,274	145,986
Ontario.....	243,007	—	14,698	+	95,440	323,749
Prairies.....	31,309	+	689	+	13,910	45,908
British Columbia.....	25,120	+	5,455	+	13,190	43,765
Total Selective.....	680,906	—	83,363	+	54,295	651,838

Network Business	1955-1956	1956-1957		1957-1958		
		in relation to 1955-56	1956-1957	in relation to 1956-57	1957-1958	
	\$	\$	\$	\$	\$	
Trans-Canada.....	1,440,406	—	365,187	—	452,858	622,361
Dominion.....	446,324	—	188,622	+	84,232	341,934
French.....	576,100	—	78,161	—	84,146	413,793
Total Network.....	2,462,830	—	631,970	—	452,772	1,378,088

Total Selective and Network.....	1955-1956	1956-1957		1957-1958		
		in relation to 1955-56	1956-1957	in relation to 1956-57	1957-1958	
	\$	\$	\$	\$	\$	
Total Selective and Network.....	3,143,736	—	715,333	—	398,477	2,029,926

APPENDIX "H"

CANADIAN BROADCASTING CORPORATION

SUMMARY OF CONSTRUCTION 1953 TO 1958

- (a) Expenditures incurred on projects completed and under construction during the five-year period April 1, 1953 to March 31, 1958 amounted to \$23,074,328.79. Included in this figure are expenditures on buildings and technical plant.
- (b) Expenditures on bldgs. during the five-year period.

Description	Location	Estimated Cost	Final Cost			Difference Between Final Estimated Cost	
			Basis	Extras	Total	Under Estimate	Over Estimate
CBAX Transmitter Building.....	Moncton, N.B.....	32,387	26,854	Nil	26,854	5,533	
CBT Transmitter and Studio Building.....	Grand Falls, Nfld.....	54,718	52,948	Nil	52,948	1,770	
CBG Studio and Transmitter Building.....	Gander, Nfld.....	57,914	53,869	Nil	53,869	4,045	
TV Studio, offices and Transmitter.....	Toronto, Ont.....	1,113,870	938,474	94,753	1,033,227	80,643	
3rd TV Studio, Yonge St.....	Toronto, Ont.....	445,340	400,014	5,197	405,211	40,129	
Halifax TV Transmitter.....	Halifax, N.S.....	114,525	61,313	8,370	69,683	44,842	
Television Transmitter and Studio.....	Ottawa, Ont.....	396,081	333,320	18,071	351,391	44,690	
TV Transmitter, Mount Royal.....	Montreal, Que.....	236,355	146,617	49,789	196,406	39,949	
Television Studios TV annex.....	Montreal, Que.....	733,488	669,228	64,024	733,252	236	
CBUT Transmitter.....	Vancouver, B.C.....	99,603	88,955	12,228	101,183		1,580
TV Studio, Georgia St.....	Vancouver, B.C.....	271,708	260,871	16,521	277,392		5,684
Radio and TV Studio and Transmitter.....	Portage and Yonge, Winnipeg, Man.....	1,393,578	1,223,655	47,037	1,270,692	122,886	
CBY Transmitter.....	Cornerbrook, Nfld.....	33,950	27,860	Nil	27,860	6,090	
CBI Transmitter Building.....	Sydney, N.S.....	33,068	29,284	Nil	29,284	3,784	
CBN Transmitter Building.....	St. John's, Nfld.....	28,650	24,585	Nil	24,585	4,065	
CBV Transmitter Building.....	St. Jean Chrysostome, Quebec.....	31,840	27,971	Nil	27,971	3,869	
CBO Transmitter Building.....	Ramsayville, Ont.....	26,430	22,198	Nil	22,198	4,232	
TV Extensions—Radio-Canada Bldg.....	Montreal, Que.....	1,327,280	1,229,742	82,340	1,312,082	15,198	
TV Extension—Jarvis St.....	Toronto, Ont.....	1,185,836	1,051,209	35,879	1,087,088	98,748	
Alteration to Carlton Theater.....	Toronto, Ont.....	80,616	48,545	4,699	53,244	27,372	
Second TV Studio, Consolidated Bldg.....	Vancouver, B.C.....	147,954	142,258	4,627	146,885	1,069	
Halifax TV Studios.....	Halifax, N.S.....	787,975	755,312	28,590	783,902	4,073	
TOTAL.....		8,633,166	7,615,082	472,125	8,087,207	553,223	7,264

July, 1959.

APPENDIX "I"

CANADIAN BROADCASTING CORPORATION
COSTS OF MICROWAVE AND CONDITIONS OF RENTAL CONTRACTS

Television network transmission costs in 1957-1958 were \$2,636,923.00.

There are seven television network contracts between the CBC and the communication companies:

(1) Buffalo-Toronto-Montreal (Bell Telephone Company)

This contract became effective May 1, 1953 for a period of five years, i.e., to April 30, 1958, with option of renewal to April 30, 1963. This option has been implemented. This network also supplies service to stations at Peterborough, Kingston and Ottawa.

(2) Toronto-Windsor (jointly, CNR-CPR)

This contract became effective January 1, 1954, and terminates June 30, 1961, but contains an option for renewal to June 30, 1966. This network provides service to stations at Hamilton, Kitchener, London, Wingham and Windsor.

(3) Montreal-Rimouski (jointly, CNR-CPR)

This contract became effective July 17, 1954 and terminates March 31, 1962, but contains an option of renewal to March 31, 1967. This network provides French language service to stations at Sherbrooke, Three Rivers, Quebec, Jonquière and Rimouski.

(4) Montreal-Ottawa (Bell Telephone Company)

This contract became effective June 20, 1955 and terminates June 30, 1960, but contains an option of renewal to June 30, 1965. This network carries French language service from Montreal to Ottawa and to Rouyn.

(5) Montreal to Sydney and Toronto to Victoria (Bell Telephone Company)

This contract became effective September 28, 1955 and terminates June 30, 1968, with an option for renewal on a year to year basis thereafter. This network provides service to stations at Quebec, Saint John, N.B., Moncton, Charlottetown, Halifax, Sydney and Barrie, North Bay, Sudbury, Sault Ste Marie, Timmins, Port Arthur, Winnipeg, Brandon, Regina, Saskatoon, Prince Albert, Swift Current, Medicine Hat, Calgary, Edmonton, Red Deer, Lethbridge, Vancouver and Victoria.

(6) Rimouski to Matane (Bell Telephone Company)

This contract became effective August 1, 1958 and terminates September 30, 1963, but contains an option for renewal to September 30, 1968. This network carries French language service to the station at Matane.

(7) Sydney to St. John's, Nfld. (CNR)

This contract became effective June 23, 1959 and terminates June 22, 1964, but contains an option for renewal to June 22, 1969. This network provides service to stations at Stephenville (Harmon Field) and Corner Brook as well as St. John's.

All contracts provide for standards of transmission, penalties for interruption to service, rates for additional daily hours, overtime, occasional service, reversals and switching for both video and audio.

July, 1959.

APPENDIX "J"

CANADIAN BROADCASTING CORPORATION

COSTS OF RENTAL OF STUDIOS AND REHEARSAL HALLS

At many of our locations, Studios, Rehearsal Halls and Offices are in the same premises and are covered by the same leasing transaction. In these cases, a reasonable division has been made and the amount shown for rental is for Studios and associated areas exclusive of offices. Examples are 1425 Dorchester St. and 1482 Guy St., Montreal.

At smaller locations, such as Grand Falls, Newfoundland and Regina, Saskatchewan, offices are a minor proportion of the area under lease and in these cases, the per annum rental covers studios, associated control rooms and offices required in administration of the local Operation.

In all cases where rental of premises used for TV Studios is involved, the rental figure includes scenery "docking", or storage space associated with the studios.

Details are shown on the attached pages.

July, 1959.

NEWFOUNDLAND REGION

Location	Address	Cost/Annum	Radio Studio	Television Studio	Rehearsal Hall
Grand Falls.....	High and Mill Road.....	\$11,200.00	×	—	—
St. John's.....	Duckworth Street.....	\$13,412.50	×	—	—

MARITIMES REGION

Halifax, N.S.....	100 Sackville St.....	\$24,168.00	×	—	—
Halifax, N.S.....	Nova Scotian Hotel.....	\$ 3,110.00	×	—	—
Halifax, N.S.....	7-11 Argyle.....	\$ 3,200.00	—	×	×
Sydney, N.S.....	247-251 Charlotte St.....	\$ 3,900.00	×	—	—
Moncton, N.B....	232 St. George St.....	\$10,000.00	×	—	—

QUEBEC REGION

Montreal.....	1244 St. Catherine St.....	\$22,122.00	—	—	×
Montreal.....	1173 Drummond St.....	\$ 4,200.00	—	—	×
Montreal.....	1425 Dorchester St.....	\$34,261.20	×	—	—
		\$10,974.00	—	×	—
Montreal.....	3710 Calixa Lavallee.....	\$ 1.00	×	—	—
		(\$10.00/day for stage only) (\$75.00 per occasion with audience)			
Montreal.....	3510 Cote des Neiges Rd..	\$12,000.00	×	—	—
Montreal.....	Saint Croix Blvd.....	\$36,000.00	—	×	—
Montreal.....	1137 Stanley St.....	\$48,000.00	—	×	×
Montreal.....	1482 Guy St. (4 halls)....	\$22,826.00	—	—	×
Montreal.....	1162 Crescent St.....	\$20,352.00	—	—	×
Montreal.....	1231 St. Catherine St.....	\$12,975.00	—	—	×
Chicoutimi.....	121 East Racine St.....	\$ 4,405.05	×	—	—
Quebec.....	Palais Montclam.....	\$ 8,000.00	×	—	—

ONTARIO REGION

Toronto.....	9 McGill St.....	\$12,000.00	×	—	—
Toronto.....	90 Sumach St.....	\$48,732.00	—	—	×
Ottawa.....	Chateau Laurier.....	\$ 5,625.00	×	—	—
Windsor.....	Security Bldg.....	\$ 7,350.00	×	—	—

PRAIRIE REGION

Winnipeg.....	444 St. Mary's Ave.....	\$10,620.00	×	×	—
Regina.....	1840 MacIntyre St.....	\$ 9,275.00	×	—	—
Edmonton.....	100th Street and Jasper Avenue.....	\$ 8,500.00	×	—	—

STANDING COMMITTEE

CANADIAN BROADCASTING CORPORATION—*Concluded*
 COSTS OF RENTAL OF STUDIOS AND REHEARSAL HALLS—*Concluded*

Location	Address	Cost/Annum	Radio Studio	Television Studio	Rehearsal Hall
BRITISH COLUMBIA REGION					
Vancouver.....	701 Hornby St.....	\$24,943.60	×	—	—
Vancouver.....	660 Howe St.....	\$14,293.56	×	—	—
Prince Rupert....	336 2nd Ave. W.....	\$ 900.00	×	—	—

APPENDIX "K"

INTERNATIONAL SERVICE

COSTS PER LANGUAGE SECTION 1957-58

A—CENTRAL AND EASTERN EUROPE

(1) German, Polish, Czech, Russian, Ukrainian

Salaries (7 each) \$36,000 × 5.....	\$180,000
Performers Fees.....	5,000

\$185,000

(2) Austrian, Hungarian, Slovak

Salaries (3 each) \$13,000 × 3.....	\$ 40,500
P.F.....	2,500

\$ 43,000

Total Central and East European.....	\$185,000	
--------------------------------------	-----------	--

43,000

\$228,000

B—WEST EUROPEAN

Dutch, Italian, Danish, Norwegian, Swedish

Salaries (3 each) \$16,500 × 5.....	\$ 82,500
P.F.....	7,000

\$ 89,500

C—LATIN AMERICAN

Spanish and Brazilian

Salaries (12).....	\$ 69,000
P.F.....	5,000

\$ 74,000

D—ENGLISH

Salaries (11).....	\$ 50,000
P.F.....	25,000

\$ 75,000

E—FRENCH

Salaries (10).....	\$ 45,000
P.F.....	12,000

\$ 57,000

F—MUSIC

Salaries (5).....	\$ 21,500
P.F.....	50,000

\$ 71,500

TOTAL COST.....	<u>\$595,000</u>
-----------------	------------------

APPENDIX "L"

QUERY BY MR. EGAN CHAMBERS M.P. RE INTERNATIONAL SERVICE BUDGET ITEM
"PRINTING OF PUBLICATIONS"

Answer—This item covers mainly the cost of printing the International Service schedule, distributed free to listeners on their request. It is issued seven times a year. It contains program information in the various languages of the Service, including frequencies of broadcast. The mailing list comprises nearly 200,000 addresses. The cost runs somewhat under \$4,000 per issue. The issue printed close to the end of any fiscal year is charged in that fiscal year or the succeeding one, depending on receipt of invoice. This accounts for the somewhat low figure for 1956-1957.

The year 1957-1958 was the year of the Brussels International Fair. In keeping with our practice of providing copies of our schedule for distribution at the Canadian booth of major international fairs where the Department of Trade and Commerce is represented, and where such publicity can promote our audience, we arranged an additional run of schedules to cover the duration of the fair and the large number of visitors expected. We consulted the Government Exhibition Commission as to the minimum number required and so ordered. This increased the annual schedule printing figure from approximately \$28,000 to \$36,000.

An additional cost during this year was the purchase of several years supply of the External Affairs booklet "Canada from Sea to Sea" (15,000 English, 5,000 French) at a cost of \$3,400. Such publicity material is used for mailing to groups among our listeners, such as teachers, study groups, etc., where the information will serve to answer authoritatively the range of questions such listeners ask.

There were also smaller additional printing expenses under this item for the printing of Spoken Word Transcription Catalogues (English, French, Spanish) where none were printed the preceding year.